Buffalo School District RE-4J

Merino, Colorado

Financial Statements

For the Year ended June 30, 2022

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Independent Auditors' Report

Board of Education
Buffalo School District RE-4J
Merino, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buffalo School District RE-4J (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the 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. Our responsibilities under those standards are further described in the Auditors' 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 historical pension and other post-employment benefit information listed in the table of contents 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 and the auditors' integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the auditors' integrity report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 1, 2022

This section of Buffalo School District RE-4J's annual financial report presents its discussion and analysis of the District's financial performance during the year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of Buffalo School District RE-4J exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $6,370,126 (net position).

- The district's total net position increased by $1,510,620.

- General revenues accounted for $4,276,636 or 81% of the $5,267,284 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for $990,648 or 19% of revenues.

- The general fund ending fund balance reached $1,794,289, with an increase of $235,961 from last year.

Overview of Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. A comparison to the prior year's activity is normally provided in the document. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-wide Statements

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and retiree's early retirement bonuses). In the government-wide financial statements, the School District's activities include the following:

- **Governmental activates:** Most of the School District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, pupil activities and food service. Taxes and intergovernmental revenues principally support these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has one kind of fund: governmental funds.

Governmental Funds

Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School District's program.

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

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund and Bond Redemption Fund, which are considered to be major funds. Data for the other governmental funds are presented in a separate column. Individual fund data for the nonmajor, other governmental funds are provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 20-53 of this report.

Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets. Budgeted amounts may be found on pages 70-82 of this report.

Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position.

78 percent of the School District's assets are its investment in capital assets (e.g., land, buildings and equipment). The school District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the district's net position as of June 30, 2022.

	Governmental Activities		Total Percentage Change
	2022	2021	2021-2022
Current and Other assets	$ 2,755,519	$ 2,385,247	15.52%
Capital assets	9,872,972	10,144,903	-2.68%
Total assets	12,628,491	12,530,150	.78%
Deferred outflows of resources	1,204,230	1,825,465	-34.03%
Total assets and deferred outflows of resources	$13,832,721	$14,355,615	-3.64%
Long term liabilities	$ 5,112,307	$ 6,830,423	-25.15%
Other liabilities	428,008	383,383	11.64%
Total liabilities	5,540,315	7,213,806	-23.20%
Deferred inflows of resources	1,922,280	2,282,303	-15.77%
Net investment in capital assets	9,036,593	9,187,345	-1.64%
Restricted	523,151	399,900	30.82%
Unrestricted	(3,189,618)	(4,727,739)	-32.53%
Total net position	6,370,126	4,859,506	31.09%
Total liabilities, deferred inflows of resources and net position	$13,832,721	$14,355,615	-3.64%

Following is a summary of the School District's change in net position.

Revenues	Governmental Activities 2022	2021	Total Percentage Change 2021-2022
Program Revenues			
Charges for services	$ 18,957	$ 11,433	65.81%
Operating Grants & Contributions	971,691	965,068	.69%
Capital Grants & Contributions	-	549,987	-100.00%
General Revenue			
Property taxes	1,194,723	1,001,703	19.27%
State equalization	2,849,630	2,477,514	15.02%
Other	232,283	118,036	96.79%
Total Revenue	5,267,284	5,123,741	2.80%
Expenses			
Instruction	1,757,121	1,367,545	28.49%
Pupil & Instructional Services	462,423	188,327	145.54%
Administration & Business	365,001	286,161	27.55%
Maintenance & Operations	377,893	312,716	20.84%
Transportation	152,671	97,788	56.12%
Other	641,555	631,307	1.62%
Total Expenses	3,756,664	2,883,844	30.27%
Change in net position	$ 1,510,620	$ 2,239,897	-32.56%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received $11,779 per funded student. In fiscal year 2021-22 the funded pupil count was 311.5. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 73 percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated $920,043 and $165,220 in property taxes for general purposes and debt service, respectively, for fiscal year 2021-2022.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of $2,319,410, an increase of $332,170 in comparison with the prior year. The general fund had a fund balance increase of $235,961; the food service had a fund balance increase of $79,927; the pupil activity fund had a fund balance decrease of $1,147; and the bond redemption had a fund balance increase of $17,429.

General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund.

Differences between the final budget and actual amounts totaled an increase of $2,059,137 and can be briefly summarized as follows:

- $1,673,176 of beginning fund balance increase was set-aside in the contingency reserve.
- $166,558 was allocated for instructional and business services expenses not purchased by the General Fund.
- $97,229 was allocated for transportation, maintenance and operations expenses including utilities not purchased by the General Fund.

Capital Assets and Debt Administration

Capital Assets

The School Districts investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to $9,872,972 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and capital leases all with an original cost greater than $5,000.

The School District's total capital assets at June 30, 2022 net of accumulated depreciation were as follows:

	Governmental Activities
Land	$ 220,662
Building Improvements	9,493,868
Furniture and Equipment	87,308
Licensed Vehicles	71,134
Total	$ 9,872,972

Additional information on the School District's capital assets can be found in note D to the basic financial statements.

Economic Factors

Some uncertainty clouds the prospects for the School District for the next year.

- Enrollment in the school district remained steady over the FY22 year. Projected FTE student count for FY23 is projected to remain steady.

- Due to COVID-19 there has been a huge impact to schools and the budgeting process that will continue to affect us for many school years. Combine that with the already crippling Budget Stabilization Factor enacted by the Colorado Legislature, districts across the state will be asked to do more with considerably less.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Buffalo School District RE-4J, 315 Lee Street, Merino, CO 80741.

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Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

BUFFALO SCHOOL DISTRICT RE-4J
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	$ 901,193
Cash with fiscal agent	277,255
Investments	1,341,371
Receivables	229,983
Inventory	5,717
Capital assets, net of depreciation	9,872,972
Total assets	12,628,491
Deferred outflows of resources	
Deferred charges on refundings of bonds	31,661
Pension deferrals	1,140,345
Other postemployment benefit deferrals	32,224
Total deferred outflows of resources	1,204,230
Total assets and deferred outflows of resources	$ 13,832,721
Liabilities	
Accounts payable	$ 32,058
Accrued salaries and benefits	377,622
Unearned revenue	13,316
Unearned grant revenue	2,700
Accrued interest payable	2,312
Noncurrent liabilities	
Due within one year	130,000
Due in more than one year	793,224
Net pension liability	3,995,766
Net other post-employment benefit liability	193,317
Total liabilities	5,540,315
Deferred inflows of resources	
Pension deferrals	1,855,869
Other post-employment benefit deferrals	66,411
Total deferred inflows of resources	1,922,280
Net position	
Net investment in capital assets	9,036,593
Restricted for:	
Emergencies	143,000
Debt service	263,588
Food service operations	116,563
Unrestricted (deficit)	(3,189,618)
Total net position	6,370,126
Total liabilities, deferred inflows of resources and net position	$ 13,832,721

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

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BUFFALO SCHOOL DISTRICT RE-4J
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	$ 1,757,121		$ 377,689	
Supporting services				
Students	296,169		296,390	
Instructional staff	166,254		38,881	
General administration	97,287			
School administration	162,329		614	
Business services	105,385			
Operations and maintenance	377,893			
Student transportation	152,671		34,307	
Central support services	177,940			
Food service operations	166,578	$ 18,957	223,810	
Interest and fiscal charges	28,872			
Unallocated depreciation *	268,165			
Total governmental activities	$ 3,756,664	$ 18,957	$ 971,691	$ -

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Specific ownership taxes
Delinquent taxes and interest
State categorical aid
Earnings on investments
Other

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

Net (Expenses) Revenues and Changes in Net Position
Total Governmental Activities
$ (1,379,432)
221
(127,373)
(97,287)
(161,715)
(105,385)
(377,893)
(118,364)
(177,940)
76,189
(28,872)
(268,165)
(2,766,016)
920,043
165,220
106,459
3,001
2,849,630
3,024
229,259
4,276,636
1,510,620
4,859,506
$ 6,370,126

BUFFALO SCHOOL DISTRICT RE-4J
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 632,049		$ 269,144	$ 901,193
Cash with fiscal agent	17,497	$ 259,758		277,255
Investments	1,341,371			1,341,371
Property taxes receivable	30,024	5,402		35,426
Due from other funds	626			626
Grants receivable	142,547		9,311	151,858
Other receivables	40,803		1,896	42,699
Inventory			5,717	5,717
Total assets	$ 2,204,917	$ 265,160	$ 286,068	$ 2,756,145
Liabilities				
Due to other funds			$ 626	$ 626
Accounts payable	$ 21,465		10,593	32,058
Accrued salaries and benefits	377,622			377,622
Unearned grant revenue	2,700			2,700
Unearned revenues			13,316	13,316
Total liabilities	401,787	$ -	24,535	426,322
Deferred inflows of resources				
Deferred property tax revenues	8,841	1,572		10,413
Total deferred inflows of resources	8,841	1,572	-	10,413
Fund balance				
Nonspendable for inventory			5,717	5,717
Restricted for:				
Emergencies	143,000			143,000
Debt service		263,588		263,588
Food service operations			116,563	116,563
Committed to pupil activities			139,253	139,253
Assigned to capital outlay	37,424			37,424
Unassigned	1,613,865			1,613,865
Total fund balance	1,794,289	263,588	261,533	2,319,410
Total liabilities, deferred inflows of resources and fund balance	$ 2,204,917	$ 265,160	$ 286,068	$ 2,756,145

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

BUFFALO SCHOOL DISTRICT RE-4J
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 2,319,410
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	9,872,972
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	10,413
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(2,312)
Long-term liabilities and related deferred outflows and inflows of resources including bonds payable, bond premium, deferred amounts on refunding, accrued compensated absences, and net pension and OPEB liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,830,357)
Net position of the governmental activities	$ 6,370,126

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

BUFFALO SCHOOL DISTRICT RE-4J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local sources	$ 1,321,358	$ 167,779	$ 192,105	$ 1,681,242
Intermediate sources	1,082			1,082
State sources	3,281,838		1,198	3,283,036
Federal sources	195,636		222,612	418,248
Total revenues	4,799,914	167,779	415,915	5,383,608
Expenditures				
Instruction	2,558,288		174,277	2,732,565
Supporting services	2,005,665		162,858	2,168,523
Debt service				
Principal retirement		120,000		120,000
Interest and fiscal charges		30,350		30,350
Total expenditures	4,563,953	150,350	337,135	5,051,438
Net change in fund balance	235,961	17,429	78,780	332,170
Fund balance at beginning of year	1,558,328	246,159	182,753	1,987,240
Fund balance at end of year	$ 1,794,289	$ 263,588	$ 261,533	$ 2,319,410

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

BUFFALO SCHOOL DISTRICT RE-4J
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - governmental funds	$ 332,170
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(271,931)
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	(6,824)
Repayment of principal on general obligation bonds are expenditures in the governmental funds, but the repayment reduces the long-term liability in the statement of net position.	120,000
In the statement of activities, certain expenses related to the pension liabilities and related deferred outflows and inflows, as well as compensated absences and accrued interest payable, are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid).	1,337,205
Change in net position of governmental activities	$ 1,510,620

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

Note A – Summary of significant accounting policies

This summary of the Buffalo School District RE-4J's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The Buffalo School District RE-4J is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, risk-related transactions, debt service, food service operations and pupil activities.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

Note A – Summary of significant accounting policies (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Note A – Summary of significant accounting policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

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

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

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Note A – Summary of significant accounting policies (Continued)

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year's budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.7 – Inventories

Food Service Fund – purchased inventories are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture's assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than $5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Note A – Summary of significant accounting policies (Continued)

Description	Governmental Activities
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	7-10 years

A.9 – Compensated absences

District employees are entitled to certain compensated absences based on their length of employment. All employees are allowed ten days leave per year for sick leave which may be accumulated to a maximum of ninety-five days. Any instructional staff member who has served a minimum of ten years in the District and who is in good standing with the District upon leaving employment shall be paid 20% of their wage for any unused accumulated sick leave.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Note A – Summary of significant accounting policies (Continued)

A.11 – Fund balance

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

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

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority).

Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note A – Summary of significant accounting policies (Continued)

A.12 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any

Note B – Cash and investments (Continued)

individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – 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. As of year-end, the District had total deposits of $936,358, of which $250,000 was insured and $686,358 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

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

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2022, the District had invested $1,341,371 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

Note B – Cash and investments (Continued)

		Investment maturities (in years)		
Investment type	Fair value	Less than 1	1-5	6-10
Investment in Colotrust	$ 1,341,371	$ 1,341,371	$ -	$ -

The investment in Colotrust is maintained in the General Fund.

Interest rate risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District's investment in Colotrust was rated AAAm by Standard and Poor's.

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities
Property taxes receivable	$ 35,426
Grants receivable	151,858
Other receivables	42,699
Total	$ 229,983

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. The Counties of Logan, Morgan and Washington bill and collect property taxes for all taxing entities within the Counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings for the year as presented in the fund financial statements:

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	$ 626	$ -
Other governmental funds	-	626
Total	$ 626	$ 626

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 220,662	$ -	$ -	$ 220,662
Total capital assets, not being depreciated	220,662	-	-	220,662
Capital assets, being depreciated:				
Buildings and improvements	13,805,996	-	-	13,805,996
Furniture and equipment	223,178	29,895	-	253,073
Licensed vehicles	604,204	-	-	604,204
Total capital assets, being depreciated	14,633,378	29,895	-	14,663,273
Total capital assets	14,854,040	29,895	-	14,883,935
Less accumulated depreciation for:				
Buildings and improvements	(4,043,963)	(268,165)	-	(4,312,128)
Furniture and equipment	(155,109)	(10,656)	-	(165,765)
Licensed vehicles	(510,065)	(23,005)	-	(533,070)
Total accumulated depreciation	(4,709,137)	(301,826)	-	(5,010,963)
Governmental activities capital assets, net	$ 10,144,903	$ (271,931)	$ -	$ 9,872,972

Note E – Capital assets (Continued)

Depreciation expense was charged to programs of the District as follows:

Governmental activities		
Instruction	$	7,274
Operations and maintenance		5,036
Student transportation		17,631
Food service operations		3,720
Unallocated		268,165
Total depreciation expense	$	301,826

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be $377,622. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	Beginning Balances	Additions	Reductions	Ending Balances	Due within one year
Governmental activities					
Compensated absences	$ 67,444	$ -	$ (12,260)	$ 55,184	$ -
Bonds payable	950,000	-	(120,000)	830,000	130,000
Bond premium	45,063	-	(7,023)	38,040	-
Total	$ 1,062,507	$ -	$ (139,283)	$ 923,224	$ 130,000

Payments on the bonds payable are made in the Bond Redemption Fund, while the compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Note G – Long-term debt (Continued)

Bonds payable

General obligation bonds payable consist of the following individual issues:

$1,355,000 general obligation refunding bonds, dated November 25, 2014, due in annual installments beginning in fiscal year 2015 ranging from $20,000 to $150,000; varying annual interest rates ranging from 2.00% to 3.50%, payable semi-annually on December 1st and June 1st.	$ 830,000

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

Year ended June 30,	Principal	Interest
2023	$ 130,000	$ 25,800
2024	130,000	21,900
2025	135,000	17,588
2026	140,000	12,775
2027	145,000	7,787
2028	150,000	2,625
Totals	$ 830,000	$ 88,475

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

Note H – Defined benefit pension plan (Continued)

General Information about the Pension Plan

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

Benefits provided as of December 31, 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. Section 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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. Section 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. Section 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. Section 24-51-401, *et seq.* and Section 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:

Note H – Defined benefit pension plan (Continued)

	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. Section 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 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. Section 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $437,585 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. Section 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to

Note H – Defined benefit pension plan (Continued)

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 year end, the District reported a liability of $3,995,766 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 3,995,766
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	458,064
Total	$ 4,453,830

At December 31, 2021, the District's proportion was 0.0343%, which was a decrease of 0.0025% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of ($925,596) and revenue of $48,904 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 157,579	$ -
Changes of assumptions or other inputs	327,068	-
Net difference between projected and actual earnings on pension plan investments	-	1,531,939
Changes in proportion and differences between contributions recognized and proportionate share of contributions	432,819	323,930
Contributions subsequent to the measurement date	222,879	-
Total	$ 1,140,345	$ 1,855,869

Note H – Defined benefit pension plan (Continued)

$222,879 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	$ 55,453
2024	(394,872)
2025	(416,638)
2026	(182,346)
Totals	$ (938,403)

Actuarial assumptions. The total pension liability 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 total pension liability 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.

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, 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.

Note H – Defined benefit pension plan (Continued)

- 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 position and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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.

Note H – Defined benefit pension plan (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 5,881,441	$ 3,995,766	$ 2,422,241

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

Note I – Defined contribution pension plan

Voluntary Investment Program

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

Funding policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed $79,286 for the Voluntary Investment Program.

Note J – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

C.R.S. Section 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.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $22,452 for the year ended June 30, 2022.

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

At year-end, the District reported a liability of $193,317 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 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 total OPEB liability to December 31, 2021. The District's 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 0.0224%, which was an increase of 0.0011% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of $1,570. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual Experience	$ 276	$ 44,011
Changes of assumptions or other inputs	3,930	9,960
Net difference between projected and actual earnings on OPEB plan investments	-	11,694
Changes in proportion and differences between contributions recognized and proportionate share of contributions	16,583	746
Contributions subsequent to the measurement date	11,435	-
Total	$ 32,224	$ 66,411

$11,435 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 subsequent year. 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,	Amount
2023	$ (12,051)
2024	(14,884)
2025	(13,604)
2026	(5,823)
2027	576
2028	164
Total	$ (45,622)

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs for the School Division:

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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 OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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 December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

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

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the 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 the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TO for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 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 the School and 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 beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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

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

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

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.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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%.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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	$ 187,765	$ 193,317	$ 199,748

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 224,517	$ 193,317	$ 166,666

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverage's through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverage's. The District's contribution for the year was $170,959. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 7, 1995, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of $143,000 for the emergency reserve.

Note M – Joint venture

The District participates in the Northeast Colorado Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES:

- is financially independent and responsible for its own financing deficits and entitles to its own surpluses,
- has a separate governing board from that of the District,
- has a separate management which is responsible for the day to day operations and is accountable to the separate board,

Note M – Joint venture (Continued)

- governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The District has one member on the board. This board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the Northeast Colorado Board of Cooperative Educational Services are available by contacting their administrative office in Haxtun, Colorado.

For the year, the District's contribution was $146,288.

Note N – Prior-year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, $815,000 of bonds outstanding are considered defeased.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund

BUFFALO SCHOOL DISTRICT RE-4J
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 1,003,853	$ 1,516,669	$ 1,321,358	$ (195,311)
Intermediate sources	630	617	1,082	465
State sources	3,034,405	2,974,562	3,281,838	307,276
Federal sources	188,772	186,203	195,636	9,433
Total revenues	4,227,660	4,678,051	4,799,914	121,863
Expenditures				
Instruction	2,502,099	2,526,103	2,558,288	(32,185)
Supporting services	1,860,485	2,301,948	2,005,665	296,283
Appropriated reserves	1,759,803	1,673,176		1,673,176
Total expenditures	6,122,387	6,501,227	4,563,953	1,937,274
Excess of revenues over (under) expenditures	(1,894,727)	(1,823,176)	235,961	2,059,137
Other financing uses				
Transfers out	(20,000)			-
Net change in fund balance	$ (1,914,727)	$ (1,823,176)	235,961	$ 2,059,137
Fund balance at beginning of year			1,558,328	
Fund balance at end of year			$ 1,794,289	

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BUFFALO SCHOOL DISTRICT RE-4J
Schedule of the District's Proportionate Share of the Net Pension Liability[1]
PERA's School Division Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension liability	0.0343%	0.0368%	0.0326%	0.0321%
District's proportionate share of the net pension liability	$ 3,995,766	$ 5,565,578	$ 4,864,070	$ 5,676,688
State's proportionate share of the net pension liability	458,064	-	616,945	776,208
Total	$ 4,453,830	$ 5,565,578	$ 5,481,015	$ 6,452,896
District's covered payroll	$ 2,145,871	$ 1,969,122	$ 1,912,941	$ 1,761,255
District's proportionate share of the net pension liability as a percentage of its covered payroll	186.21%	282.64%	254.27%	322.31%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

1 Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.0370%	0.0360%	0.0370%	0.0400%	0.0400%
$ 11,948,499	$ 10,709,591	$ 5,670,582	$ 5,357,151	$ 5,148,874
-	-	-	-	-
$ 11,948,499	$ 10,709,591	$ 5,670,582	$ 5,357,151	$ 5,148,874
$ 1,704,413	$ 1,602,835	$ 1,615,782	$ 1,655,870	$ 1,627,346
701.03%	668.17%	350.95%	323.52%	316.40%
43.96%	43.10%	59.20%	62.84%	64.06%

BUFFALO SCHOOL DISTRICT RE-4J
Schedule of District Contributions[1]
PERA's School Division Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 437,585	$ 405,613	$ 383,409	$ 350,595
Contributions in relation to the contractually required contribution	(437,585)	(405,613)	(383,409)	(350,595)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,201,150	$ 2,040,306	$ 1,978,372	$ 1,832,696
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%

1 Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 325,583	$ 307,759	$ 283,878	$ 276,899	$ 263,221
(325,583)	(307,759)	(283,878)	(276,899)	(263,221)
$ -	$ -	$ -	$ -	$ -
$ 1,724,344	$ 1,674,130	$ 1,600,666	$ 1,640,013	$ 1,648,243
18.88%	18.38%	17.73%	16.88%	15.97%

BUFFALO SCHOOL DISTRICT RE-4J
Schedule of the District's Proportionate Share of the Net OPEB Liability[1]
PERA's Health Care Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net OPEB liability	0.0224%	0.0213%	0.0213%	0.0208%
District's proportionate share of the net OPEB liability	$ 193,317	$ 202,338	$ 239,128	$ 283,324
District's covered payroll	$ 2,145,871	$ 1,969,122	$ 1,912,941	$ 1,761,255
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

1 Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017
0.0210%	0.0203%
$ 272,842	$ 263,188
$ 1,704,413	$ 1,602,835
16.01%	16.42%
17.53%	16.72%

BUFFALO SCHOOL DISTRICT RE-4J
Schedule of District Contributions[1]
PERA's Health Care Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 22,452	$ 20,811	$ 20,179	$ 18,694
Contributions in relation to the contractually required contribution	(22,452)	(20,811)	(20,179)	(18,694)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,201,150	$ 2,040,306	$ 1,978,372	$ 1,832,696
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

1 Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017
$ 17,588	$ 17,076
(17,588)	(17,076)
$ -	$ -
$ 1,724,344	$ 1,674,130
1.02%	1.02%

Note A – Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exits which was not known at the time the budget was adopted.
8. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

BUFFALO SCHOOL DISTRICT RE-4J
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Property taxes	$ 766,937	$ 928,076	$ 925,151	$ (2,925)
Specific ownership taxes	72,916	84,491	106,459	21,968
Delinquent taxes and interest	3,000	3,000	2,477	(523)
Earnings on investments	2,500	2,500	2,687	187
Other local sources	158,500	498,602	284,584	(214,018)
Total local sources	1,003,853	1,516,669	1,321,358	(195,311)
Intermediate sources	630	617	1,082	465
State sources				
Equalization	2,751,004	2,624,516	2,849,630	225,114
Vocational education	40,000	46,744	46,513	(231)
ELPA professional development	600			-
English language proficiency	700	732	732	-
Transportation	25,000	33,574	34,307	733
National board certification	1,600	1,600		(1,600)
State grants to libraries			4,500	4,500
Small rural schools funding	121,001	121,000	121,001	1
Additional at-risk funding			1,417	1,417
Career success pilot program		1,914	2,000	86
READ Act	5,500	3,971	3,970	(1)
On behalf payment			48,904	48,904
Services within the BOCES	89,000	140,511	168,864	28,353
Total state sources	3,034,405	2,974,562	3,281,838	307,276
Federal sources				
Title II Part A	3,293	3,299	1,654	(1,645)
ARP ESSER III (90% allocation)	125,000	125,000	125,108	108
SNAP: P-EBT mini grant			614	614
State library program			6,000	6,000
REAP	33,000	34,381	34,381	-
Services within the BOCES	27,479	23,523	27,879	4,356
Total federal sources	188,772	186,203	195,636	9,433
Total revenues	$ 4,227,660	$ 4,678,051	$ 4,799,914	$ 121,863

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BUFFALO SCHOOL DISTRICT RE-4J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures				
Instruction				
Salaries	$ 1,494,296	$ 1,491,379	$ 1,560,104	$ (68,725)
Employee benefits	557,566	536,917	579,650	(42,733)
Purchased services	219,446	216,284	205,488	10,796
Supplies and materials	207,791	258,523	192,369	66,154
Property	18,500	18,500	14,440	4,060
Other	4,500	4,500	6,237	(1,737)
Total instruction	2,502,099	2,526,103	2,558,288	(32,185)
Supporting services				
Students				
Salaries	112,135	112,390	112,990	(600)
Employee benefits	34,989	38,814	36,526	2,288
Purchased services	2,650	222,650	216,330	6,320
Supplies and materials	400	400	608	(208)
Total students	150,174	374,254	366,454	7,800
Instructional staff				
Salaries	43,547	43,947	43,896	51
Employee benefits	17,352	17,485	18,121	(636)
Purchased services	58,500	58,500	48,055	10,445
Supplies and materials	11,500	11,500	15,498	(3,998)
Property	33,570	33,570	67,990	(34,420)
Total instructional staff	164,469	165,002	193,560	(28,558)
General administration				
Salaries	119,531	119,905	120,160	(255)
Employee benefits	34,526	34,648	41,931	(7,283)
Purchased services	8,500	8,900	9,941	(1,041)
Other	1,700	1,700		1,700
Total general administration	164,257	165,153	172,032	(6,879)

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
School administration				
Salaries	219,922	217,081	219,548	(2,467)
Employee benefits	67,189	66,376	70,423	(4,047)
Purchased services	6,550	7,550	7,197	353
Supplies and materials	450	450	5	445
Other	2,500	2,500	1,725	775
Total school administration	296,611	293,957	298,898	(4,941)
Business services				
Salaries	61,527	76,112	62,305	13,807
Employee benefits	21,388	24,644	22,823	1,821
Purchased services	2,250	2,350	5,067	(2,717)
Supplies and materials	250	250		250
Other	162,415	272,107	53,947	218,160
Total business services	247,830	375,463	144,142	231,321
Operations and maintenance				
Salaries	108,725	109,100	106,595	2,505
Employee benefits	43,772	43,949	36,570	7,379
Purchased services	155,000	200,000	205,024	(5,024)
Supplies and materials	167,424	182,500	118,594	63,906
Property	2,000	5,000		5,000
Other	2,500	2,500	2,275	225
Total operations and maintenance	479,421	543,049	469,058	73,991
Student transportation services				
Salaries	96,820	98,000	78,034	19,966
Employee benefits	31,487	31,752	24,795	6,957
Purchased services	8,000	20,067	13,558	6,509
Supplies and materials	42,000	57,000	67,194	(10,194)
Total student transportation services	178,307	206,819	183,581	23,238

(Continued)

BUFFALO SCHOOL DISTRICT RE-4J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022

(Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Central supporting services				
Purchased services	179,416	178,251	177,940	311
Total central supporting services	179,416	178,251	177,940	311
Total supporting services	1,860,485	2,301,948	2,005,665	296,283
Appropriated reserves	1,759,803	1,673,176		1,673,176
Total expenditures	$ 6,122,387	$ 6,501,227	$ 4,563,953	$ 1,937,274

Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to record financial transactions related to the District's food service operations.

- Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

BUFFALO SCHOOL DISTRICT RE-4J
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Food Service Fund	Pupil Activity Fund	Total
Assets			
Cash	$ 123,611	$ 145,533	$ 269,144
Grants receivable	9,311		9,311
Other receivables	1,896		1,896
Inventory	5,717		5,717
Total assets	$ 140,535	$ 145,533	$ 286,068
Liabilities			
Due to other funds	$ 626		$ 626
Accounts payable	4,313	$ 6,280	10,593
Unearned revenues	13,316		13,316
Total liabilities	18,255	6,280	24,535
Fund balance			
Nonspendable for inventory	5,717		5,717
Restricted for food service	116,563		116,563
Committed to pupil activities		139,253	139,253
Total fund balance	122,280	139,253	261,533
Total liabilities and fund balance	$ 140,535	$ 145,533	$ 286,068

BUFFALO SCHOOL DISTRICT RE-4J
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	Food Service Fund	Pupil Activity Fund	Total
Revenues			
Local sources	$ 18,975	$ 173,130	$ 192,105
State sources	1,198		1,198
Federal sources	222,612		222,612
Total revenues	242,785	173,130	415,915
Expenditures			
Instructional		174,277	174,277
Supporting services	162,858		162,858
Total expenditures	162,858	174,277	337,135
Net change in fund balances	79,927	(1,147)	78,780
Fund balance at beginning of year	42,353	140,400	182,753
Fund balance at end of year	$ 122,280	$ 139,253	$ 261,533

BUFFALO SCHOOL DISTRICT RE-4J
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 28,502	$ 15,905	$ 18,975	$ 3,070
State sources	1,775	1,773	1,198	(575)
Federal sources	130,000	229,409	222,612	(6,797)
Total revenues	160,277	247,087	242,785	(4,302)
Expenditures				
Food service operations				
Purchased services	170,252	170,500	78,836	91,664
Supplies and materials	10,000	10,286	80,226	(69,940)
Property			3,796	(3,796)
Other	25	25		25
Appropriated reserves	20,000	94,076		94,076
Total expenditures	200,277	274,887	162,858	112,029
Excess of revenues over (under) expenditures	(40,000)	(27,800)	79,927	107,727
Other financing sources				
Transfers in	20,000			-
Net change in fund balance	$ (20,000)	$ (27,800)	79,927	$ 107,727
Fund balance at beginning of year			42,353	
Fund balance at end of year			$ 122,280	

BUFFALO SCHOOL DISTRICT RE-4J
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 75,000	$ 75,000	$ 173,130	$ 98,130
Expenditures				
Pupil activity expenditures				
Purchased services	35,000	35,000	71,583	(36,583)
Supplies and materials	40,000	40,000	102,694	(62,694)
Appropriated reserves	150,000	151,571		151,571
Total expenditures	225,000	226,571	174,277	52,294
Net change in fund balance	$ (150,000)	$ (151,571)	(1,147)	$ 150,424
Fund balance at beginning of year			140,400	
Fund balance at end of year			$ 139,253	

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Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

Debt Service Funds – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

BUFFALO SCHOOL DISTRICT RE-4J
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Property taxes	$ 153,500	$ 153,500	$ 166,936	$ 13,436
Delinquent taxes and interest	400	400	524	124
Earnings on investments	1,000	1,000	319	(681)
Total revenues	154,900	154,900	167,779	12,879
Expenditures				
Debt service				
Principal	120,000	120,000	120,000	-
Interest and fiscal charges	30,500	30,500	30,350	150
Appropriated reserves	249,400	248,585		248,585
Total expenditures	399,900	399,085	150,350	248,735
Net change in fund balance	$ (245,000)	$ (244,185)	17,429	$ 261,614
Fund balance at beginning of year			246,159	
Fund balance at end of year			$ 263,588	

Colorado Department of Education
Supplementary Schedule

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

Colorado Department of Education

Auditors Integrity Report

District: 1860 - Buffalo RE-4J
Fiscal Year 2021-22
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Governmental	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
10	General Fund	1,558,328	4,764,577	4,528,616	1,794,289
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	35,337	35,337	0
Sub-Total		**1,558,328**	**4,799,914**	**4,563,953**	**1,794,289**
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	42,353	242,785	162,857	122,280
22	Govt Designated-Purpose Grants Fund	0	0	0	0
23	Pupil Activity Special Revenue Fund	140,400	173,130	174,277	139,253
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	246,159	167,779	150,350	263,588
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		**1,987,238**	**5,383,609**	**5,051,438**	**2,319,409**
	Proprietary				
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		**0**	**0**	**0**	**0**
	Fiduciary				
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		**0**	**0**	**0**	**0**

FINAL

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