

**PLATTE CANYON SCHOOL DISTRICT 1
BAILEY, COLORADO**

BASIC FINANCIAL STATEMENTS

June 30, 2022

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditor's Report	
Management's Discussion and Analysis	i - vii
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	6
Notes to the Financial Statements	7 – 42
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	43 – 46
Budgetary Comparison Schedule – Food Service Fund	47
Budgetary Comparison Schedule – Designated Grants Fund	48
Schedule of the District's Proportionate Share of the Net Pension Liability – PERA School Division Trust Fund Plan	49
Schedule of the District's Contributions – PERA School Division Trust Fund Plan	50
Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA Health Care Trust Fund Plan	51
Schedule of the District's Contributions – PERA Health Care Trust Fund Plan	52

TABLE OF CONTENTS

(Continued)

Other Information	PAGE
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	53
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	54
Budgetary Comparison Schedule – Student Activities Fund	55
Budgetary Comparison Schedule – Swimming Pool Fund	56
Budgetary Comparison Schedule – Bond Redemption Fund	57
Auditor’s Integrity Report	58
Compliance Section	
Independent Auditor’s Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	59-60
Independent Auditor’s Report On Compliance for Each Major Federal Program, Report On Internal Control over Compliance Required By Uniform Guidance	61-63
Schedule of Expenditures of Federal Awards	64
Notes to The Schedule of Expenditures of Federal Awards	65
Schedule of Findings and Questioned Costs	66-67

FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Education
Platte Canyon School District 1
Bailey, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Canyon School District 1 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Platte Canyon School District 1 as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 43-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the Auditor's Integrity Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is also 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, the Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PB Solutions LLC

Littleton, Colorado
October 27, 2022

Platte Canyon School District RE 1

Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows as of June 30, 2022, by \$2,678,729 (net position). The positive net position is due to the fluctuations in the net pension and OPEB liabilities per GASB Statement No. 68 and 75. It is important to note that the District does not have to pay the amount shown as the District's net pension and OPEB liabilities
- The District's net position improved by \$6,120,065 from FY2021. This large change is primarily due to the changes in the District's proportionate share of the PERA net pension and OPEB liabilities as described above.
- The District's General Fund had an ending fund balance of \$6,138,005, or 62% of total General Fund Expenditures.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets and deferred outflows of resources, 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 the financial health of the District. Evaluation of the overall economic health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's capital assets in addition to the financial information provided in this report.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event affecting the 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 changes in long-term compensated absences). An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities on revenues provided by the District's taxpayers.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

Governmental activities: All of the District’s basic services are included here, such as instructional services, support services, food services and student activities. Such services include activities relating to building maintenance, technology, and administration.

The government-wide financial statements can be found on pages 1 through 2 of this report.

Fund Financial Statements

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes. Our District uses fund accounting to ensure and demonstrate compliance with state and federal financial policies and procedures with regards to government, proprietary, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District maintains six funds. The District’s most significant, or “major” governmental funds include the General Fund, Food Services Fund, Designated Grants Fund, and Bond Redemption Fund. The additional two funds (Student Activities Fund and Swimming Pool Fund) are combined into a single, aggregated presentation. Information for these non-major funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The District’s governmental funds financial statements can be found on page 3 and 5 of this report.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data essential to a full understanding of the government-wide and fund financial statements. The notes on the statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District’s adopted budget and audited actual numbers for the year.

Financial Analysis of the District as a Whole

As previously noted, net position may serve—over time—as a useful indicator of the District’s financial position.

The assets of the District are classified as current assets and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax receivables and cash and investments.

Capital assets are made up of land, buildings, equipment, and construction in progress. Current and long-term liabilities are classified based upon when resources will be required to fulfill the obligation.

Platte Canyon School District No.1 Net Position

	Governmental Activities	
	6/30/2022	6/30/2021
Cash and Investments	\$ 6,609,159	\$ 4,983,366
Restricted Cash and Investments	900,140	722,032
Other Assets	662,787	1,534,420
Capital Assets, Net	12,039,286	12,590,761
Total Assets	<u>20,211,372</u>	<u>19,830,579</u>
Deferred Outflow of Resources	<u>2,628,398</u>	<u>4,373,817</u>
Current Liabilities	604,763	70,496
Accrued Interest	3,614	4,485
Noncurrent Liabilities	13,237,093	20,288,811
Total Liabilities	<u>13,845,470</u>	<u>20,363,792</u>
Deferred Inflow of Resources	<u>6,315,571</u>	<u>7,281,940</u>
Net Position		
Net Investment in Capital Assets	8,837,727	9,250,721
Restricted	356,901	407,803
Unrestricted	(6,515,899)	(13,099,860)
Total Net Position	<u>\$ 2,678,729</u>	<u>\$ (3,441,336)</u>

Of the District’s total assets, 60% are capital assets (e.g., land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students. Although the District’s investment in capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position for governmental activities improved by \$6,120,065. The following schedule summarizes the District's shift in net position:

Platte Canyon School District No.1 Statement of Activities

	Governmental Activities	
	<u>6/30/2022</u>	<u>6/30/2021</u>
Program Revenue:		
Charges for Services	\$ 103,246	\$ 243,142
Operating Grants and Contributions	2,835,889	2,445,030
Total Program Revenue	<u>2,939,135</u>	<u>2,688,172</u>
General Revenue:		
Local Property Taxes	4,960,940	4,345,359
Specific Ownership Taxes	471,019	573,591
State Equalization	4,127,138	4,236,595
Other	10,262	264,594
Total General Revenue	<u>9,569,359</u>	<u>9,420,139</u>
Total Revenue	<u>12,508,494</u>	<u>12,108,311</u>
Expenses:		
Instruction	3,044,118	3,179,044
Supporting Services	3,274,905	3,128,805
Interest and Fiscal Charges	69,406	53,387
Total Expenses	<u>6,388,429</u>	<u>6,361,236</u>
Increase (Decrease) in Net Position	6,120,065	5,747,075
Beginning Net Position	<u>(3,441,336)</u>	<u>(9,188,411)</u>
Ending Net Position	<u>\$ 2,678,729</u>	<u>\$ (3,441,336)</u>

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remaining revenue comes from grants and contributions, fees charged for services, and miscellaneous sources. The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Highlights:

The 2022 Fiscal Year saw an increase in many areas of the District's annual expenditure categories including salaries and benefits, the District's largest annual expense. Utility costs, in the form of natural gas and electricity, were perceptibly higher than predicted as was the dramatic increase in the cost of food for our Nutritional Services program. Additional escalations in Special Education costs, specifically student transportation, also made a noticeable impact on year over year expenses. The District was able to make several large grant funded purchases in FY22 including two activity buses, a new dish washer, and air purifiers and filters to support healthier classrooms and spaces district wide. Summer school programming to support COVID learning loss and the continuation of the Early Literacy programming (including new curriculum) at the elementary level were also part of grant spending for the year. Several of the projects scheduled for completion during the 2022 year were delayed due to supply chain issues and labor shortages including the District's track resurfacing project and the installation of the District's LED communication signs which were both pushed into FY2023.

Financial Analysis of the District's Funds:

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Analysis:

The focus of the 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 District's financing requirements. In particular, unassigned balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The District saw an increase in unassigned fund balance as a result of increased federal funding receipts. As of June 30, 2022, the District's governmental funds reported combined ending fund balances of \$7,485,833 which is an increase of \$915,862 from the prior year ending fund balances.

The General Fund is the most significant fund of the District. The General Fund is supported by property taxes, specific ownership taxes and state equalization funding. The Food Service Fund was supported by Federal Seamless Summer Programming which allowed all students in the district to eat for free for the entirety of FY22. The Designated Purpose Grant Fund is funded by grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements. The Student Activities Fund is maintained by student activities fees and fundraising support. The Swimming Pool Fund is sustained by user fees in business-like activity in addition to property taxes.

- The General Fund reported revenue of \$10.7 million for the 2021-22 fiscal year. This is an increase of \$0.5 million from the prior year.
- The General Fund reported expenditures of \$9.9 million for the 2021-22 fiscal year. This is an increase of \$0.2 million as compared to prior year expenditures.

Maintaining adequate fund balance to support district operations is key to overall financial health. While current fund balance levels exceed the District's targeted 6 months of expenses, existing levels allow for the potential to assist with addressing long-term capital improvement needs in the District. Additionally these funds can provide short-term solutions for addressing salary and benefit expenses, with the intent to cover these costs with recurring revenues in the future, thus allowing for more flexibility in planning and workforce solutions.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The budget is prepared based on an estimate of forecasted student count. The General Fund's actual results were under budgeted appropriations by \$760,360, over half of which is attributed to the deferral of the track resurfacing and LED signage installation until FY2023.

Capital Assets and Debt Administration

The District's investment in capital assets for governmental activities as of June 30, 2022, amounts to \$12,039,286 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, net of accumulated depreciation, and construction in progress. The total net increase (decrease) in capital assets for the current fiscal year was \$(551,475).

Long Term Debt: As of June 30, 2022, the District had outstanding debt of \$1,580,000.

Economic Factors:

The primary factors impacting funding for the District continue to be student enrollment and the State's economy. The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school District based upon a formula that takes into consideration the cost of living, number of students, District size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. While this formula has received a great deal of scrutiny from Districts and legislators over the past decade, very few notable changes have been made to the overall formula. Funding sources for the School Finance Act are derived by the following formula:

Total Program Funding = local property taxes + general specific ownership taxes + state equalization.

At the time these financial statements were prepared and audited, the District contemplated the following factors that could significantly affect its financial health in the future.

- Continued support to address the impact of COVID 19 came in the form of Federal ESSR I, II and III funds and State Grants for Air Purification. These funds were allocated to address learning loss, increase accessibility to materials and curriculum for online and remote learning should the need arise, provide additional support for technology and mental health services

- Colorado statewide inflation and cost of living escalated quickly in January and February of 2022 significantly impacting labor and material costs and driving further increases in the costs of goods. The School Finance Formula acknowledges the annual increase in inflation, but not in live time, and any increase in funding due to these changes would not impact the District until FY23.
- Colorado PERA continues to increase employer and employee contributions putting additional pressure on the General fund and District Employees. The “ratchet mechanism” shows no indications of slowing that pressure unless the PERA board and Colorado Legislature revise and better align the triggers for increasing and decreasing contributions.

Request for Information:

This financial report is designed to provide a general overview of Platte Canyon School District RE 1’s finances for all those with an interest in the District’s finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Director of Business Services, Platte Canyon School District, 57393 US Hwy 285 or P.O. Box 1069, Bailey, Colorado 80421. Additional information is available on the district website at www.plattecanyonschools.org.

BASIC FINANCIAL STATEMENTS

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF NET POSITION
June 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 6,609,159
Restricted Cash and Investments	900,140
Cash Held with Fiscal Agent	79,502
Taxes Receivable	194,292
Accounts Receivable	369,266
Inventories	19,727
Capital Assets, Not Depreciated	1,360,530
Capital Assets, Depreciated, Net of Accumulated Depreciation	9,939,372
Right to Use Asset, Amortized Net of Accumulated Amortization	<u>739,384</u>
TOTAL ASSETS	<u>20,211,372</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	2,589,561
Related to OPEB	<u>38,837</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,628,398</u>
LIABILITIES	
Accounts Payable	12,214
Accrued Salaries and Benefits	592,016
Accrued Interest Payable	3,614
Unearned Revenue	533
Noncurrent Liabilities	
Due Within One Year	854,796
Due in More Than One Year	1,607,379
Compensated Absences	221,598
Net Pension Liability	10,066,451
Net OPEB Liability	<u>486,869</u>
TOTAL LIABILITIES	<u>13,845,470</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	6,057,644
Related to OPEB	<u>257,927</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,315,571</u>
NET POSITION	
Net Investment in Capital Assets	8,837,727
Restricted for Emergencies	356,901
Unrestricted	<u>(6,515,899)</u>
TOTAL NET POSITION	<u><u>\$ 2,678,729</u></u>

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

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 3,044,118	\$ -	\$ 1,066,051	\$ -	\$ (1,978,067)
Supporting Services	3,274,905	103,246	1,769,838	-	(1,401,821)
Interest and Fiscal Charges	69,406	-	-	-	(69,406)
Total Governmental Activities	<u>6,388,429</u>	<u>103,246</u>	<u>2,835,889</u>	<u>-</u>	<u>(3,449,294)</u>
GENERAL REVENUES					
					4,960,940
					471,019
					4,127,138
					-
					10,262
					<u>9,569,359</u>
					6,120,065
					<u>(3,441,336)</u>
					<u>\$ 2,678,729</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND
ASSETS				
Cash and Investments	\$ 6,169,233	\$ 89,274	\$ -	\$ -
Restricted Cash and Investments	-	-	-	900,140
Cash Held at Fiscal Agent	72,497	-	-	7,005
Due From Other Funds	135,825	-	-	-
Taxes Receivable	127,240	-	-	67,052
Other Receivables	226,058	44,110	99,098	-
Inventory	-	19,727	-	-
TOTAL ASSETS	\$ 6,730,853	\$ 153,111	\$ 99,098	\$ 974,197
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 12,214	\$ -	\$ -	\$ -
Due To Other Funds	-	35,406	63,044	13,785
Unearned Revenue	533	-	-	-
Accrued Salaries and Benefits	545,611	8,292	36,054	-
TOTAL LIABILITIES	558,358	43,698	99,098	13,785
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenues	34,490	-	-	47,000
FUND BALANCES				
Nonspendable	-	19,727	-	-
Restricted for Emergencies	356,901	-	-	-
Restricted for Debt Service	-	-	-	913,412
Assigned	-	89,686	-	-
Unassigned	5,781,104	-	-	-
TOTAL FUND BALANCES	6,138,005	109,413	-	913,412
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,730,853	\$ 153,111	\$ 99,098	\$ 974,197

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 350,652	\$ 6,609,159
-	900,140
-	79,502
-	135,825
-	194,292
-	369,266
-	19,727
<u>\$ 350,652</u>	<u>\$ 8,307,911</u>

\$ -	\$ 12,214
23,590	135,825
-	533
2,059	592,016
<u>25,649</u>	<u>740,588</u>

-	<u>81,490</u>
---	---------------

-	19,727
-	356,901
-	913,412
325,003	414,689
-	5,781,104
<u>325,003</u>	<u>7,485,833</u>

<u>\$ 350,652</u>	<u>\$ 8,307,911</u>
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PLATTE CANYON SCHOOL DISTRICT 1

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2022

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

Total fund balances of governmental funds			\$ 7,485,833
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated	1,360,530	
	Capital Assets, Depreciated	27,452,932	
	Accumulated Depreciation	(17,513,560)	
	Right to Use Asset - Energy Lease	1,109,074	
	Accumulated Amortization	<u>(369,690)</u>	12,039,286
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.			81,490
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated Absences	(221,598)	
	Accrued Interest Payable	(3,614)	
	Bonds Payable	(1,580,000)	
	Bond Premium	(55,959)	
	Lease Payable	(826,216)	
	Net Pension Liability	(10,066,451)	
	Net OPEB Liability	<u>(486,869)</u>	(13,240,707)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pensions	2,589,561	
	Deferred outflows of resources - Related to OPEB	38,837	
	Deferred inflows of resources - Related to Pensions	(6,057,644)	
	Deferred inflows of resources - Related to OPEB	<u>(257,927)</u>	<u>(3,687,173)</u>
Net position of governmental activities			<u>\$ 2,678,729</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND
REVENUES				
Local Sources	\$ 4,762,120	\$ 13,460	\$ -	\$ 803,774
State Sources	5,335,575	1,760	-	-
Federal Sources	608,073	391,661	443,746	-
TOTAL REVENUES	10,705,768	406,881	443,746	803,774
EXPENDITURES				
Current				
Instruction	5,376,726	-	389,039	-
Supporting Services	4,109,507	324,180	54,707	826
Capital Outlay	338,265	-	-	-
Debt Service				
Principal	74,851	-	-	750,000
Interest	25,680	-	-	72,575
TOTAL EXPENDITURES	9,925,029	324,180	443,746	823,401
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	780,739	82,701	-	(19,627)
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	-	-
Transfer In	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	780,739	82,701	-	(19,627)
FUND BALANCES, Beginning	5,357,266	26,712	-	933,039
FUND BALANCES, Ending	\$ 6,138,005	\$ 109,413	\$ -	\$ 913,412

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 389,121	\$ 5,968,475
-	5,337,335
-	1,443,480
<u>389,121</u>	<u>12,749,290</u>
140,700	5,906,465
176,372	4,665,592
-	338,265
-	824,851
-	98,255
<u>317,072</u>	<u>11,833,428</u>
<u>72,049</u>	<u>915,862</u>
-	-
-	-
-	-
72,049	915,862
<u>252,954</u>	<u>6,569,971</u>
<u>\$ 325,003</u>	<u>\$ 7,485,833</u>

PLATTE CANYON SCHOOL DISTRICT 1

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds			\$	915,862
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.				
	Capital Outlay	151,721		
	Depreciation and Amortization	<u>(703,196)</u>		(551,475)
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.				6,693
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.				
	Bond Principal Payments	750,000		
	Leases Principal Payments	99,887		
	Amortization of Bond Premium	27,978		
	Changes in Accrued Interest Payable	871		
	Changes in Compensated Absences	<u>(22,495)</u>		856,241
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.				
	Deferred charges related to Pension Plan	4,807,930		
	Deferred charges related to OPEB	<u>84,814</u>		<u>4,892,744</u>
Change in net position of governmental activities			\$	<u>6,120,065</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Platte Canyon School District 1 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. The District is a political subdivision of the State of Colorado and is governed by an elected board of five members. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

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

Jointly Governed Organizations

The District is a participant among three districts in a jointly governed organization to operate the Mt. Evans Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of two board members from the District and one board member from the remaining member district. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119, Black Hawk, CO 80422 or from their website, <http://mtevboces.com/financial-transparency/>.

Government-Wide and Fund Financial Statements

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Food Service Fund* accounts for the District's food service program.

The *Designated Grants Fund* accounts for the District's federal grant funds.

The *Bond Redemption Fund* is the fund that accounts for the repayment of the District's general obligation debt.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Inventories – Inventories in the governmental funds are valued using the purchase method. Under this method, inventories are recorded as expenditures when purchased. A physical inventory is taken annually at June 30th in the Food Service Fund. The inventory consists of donated commodities which were valued at the estimated acquisition value. Purchased commodities and supplies are valued at cost using the first-in, first-out (FIFO) method.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Due To and Due From Other Funds - Interfund balances arise from transactions that are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Site Improvements	20-50 years
Buildings and Improvements	10-50 years
Vehicles and Equipment	10-20 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during the school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2022, were \$592,016. The accrued compensation is reported as a liability in the General, Designated Grants, and Food Service Funds.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees may carry over a maximum of sixty days to the next fiscal year. These compensated absences are expensed when paid in the governmental fund types. A long-term liability in the amount of \$221,598 has been recorded in the government-wide financial statements for the accrued compensated absences.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets net of accumulated depreciation, less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports inventory balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the fund balance in the Bond Redemption Fund is reported as restricted for debt service requirements.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2022.

- **Assigned** – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The District has classified the fund balances of the Food Service Fund, Student Activities Fund, and Swimming Pool Fund as assigned because their use has been designated for a specific purpose by the District.

- **Unassigned** – This classification includes the residual fund balance that does not meet any of the above criteria for the General Fund. The Unassigned classification also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool (“CSDSI” or the “Pool”), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium for its property and casualty insurance coverage. The intergovernmental agreement of formation of CSDSI provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members’ claims in excess of a specified self-insured retentions, which is determined each policy year.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Risk Management (Continued)

The District carries commercial insurance for all other risks of loss, including worker's compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted in accordance with State Budget Law on each fund's basis of accounting unless indicated. All appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of the District 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. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- The Board can modify the budget by line item at any time. Total appropriation can only be modified upon completion of notification and publication requirements.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 consist of the following:

Deposits	\$ 957,042
Investments	<u>6,552,257</u>
Total	<u>\$ 7,509,299</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	\$ 6,609,159
Cash and Investments - Restricted	<u>900,140</u>
	<u>\$ 7,509,299</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2022, the District had deposits with financial institutions with a carrying amount of \$957,042. The bank balances with the financial institutions were \$1,074,017. Of these balances, \$250,000 was covered by federal depository insurance and \$824,017 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments

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 interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

Local Government Investment Pools

The District had invested \$6,552,257 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Restricted Cash

At June 30, 2022, cash in the amount of \$900,140 is restricted in the Bond Redemption Fund for debt service requirements.

NOTE 4: CAPITAL ASSETS

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Capital Asset, Being Depreciated				
Buildings and Improvements	23,217,101	-	-	23,217,101
Site Improvements	1,832,993	-	-	1,832,993
Equipment	2,251,117	151,721	-	2,402,838
Right to Use Asset	1,109,074	-	-	1,109,074
Total Capital Assets, Being Depreciated	<u>28,410,285</u>	<u>151,721</u>	<u>-</u>	<u>28,562,006</u>
Accumulated Depreciation				
Buildings and Improvements	13,769,444	515,986	-	14,285,430
Site Improvements	1,387,732	23,223	-	1,410,955
Equipment	1,727,126	90,049	-	1,817,175
Right to Use Asset	295,752	73,938	-	369,690
Total Depreciation	<u>17,180,054</u>	<u>703,196</u>	<u>-</u>	<u>17,883,250</u>
Net Capital Assets, Depreciated	<u>11,230,231</u>	<u>(551,475)</u>	<u>-</u>	<u>10,678,756</u>
Net Capital Assets	<u>\$ 12,590,761</u>	<u>\$ (551,475)</u>	<u>\$ -</u>	<u>\$ 12,039,286</u>

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

Governmental Activities

Instruction	\$ 376,467
Supporting Services	<u>326,729</u>
Total	<u>\$ 703,196</u>

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 5: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Payments	Balance 6/30/2022	Due In One Year
2015 GO Bonds	\$ 2,330,000	\$ -	\$ 750,000	\$ 1,580,000	\$ 775,000
Bond Premium	83,937	-	27,978	55,959	-
Net Pension Liability	15,655,850	-	5,589,399	10,066,451	-
Net OPEB Liability	569,264	-	82,395	486,869	-
Compensated Absences	199,103	73,822	51,327	221,598	-
Total	<u>\$ 18,838,154</u>	<u>\$ 73,822</u>	<u>\$ 6,501,099</u>	<u>\$ 12,410,877</u>	<u>\$ 775,000</u>

2015 General Obligation Bonds

The District issued \$5,995,000 of Series 2015 General Obligation Bonds. Proceeds of the bonds were used to partially refund the 2005 bonds. The bonds carry interest rates ranging from 2% to 4%. Semi-annual interest payments are due on June 1 and December 1 of each year. Principal payments on the bonds are due on December 1 through 2023. Payments are made through the District's Bond Redemption Fund.

Annual debt service requirements on the bonds are as follows:

<u>Year Ended June 30,</u>	Principal	Interest	Total
2023	775,000	\$ 63,200	\$ 838,200
2024	<u>805,000</u>	<u>32,200</u>	<u>837,200</u>
Total	<u>\$ 1,580,000</u>	<u>\$ 95,400</u>	<u>\$ 1,675,400</u>

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES-LEASES

For the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB 87 enhances the relevance and consistency of information for the government's leasing activities. For lessees, the accounting standard establishes requirements for lease accounting based on the principle that leases are financings of the right to use a leased asset. The standard also establishes requirements for lessors to recognize a lease receivable and deferred inflow of resources. These changes were incorporated in the District's financial statements for the year ended June 30, 2022.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES-LEASES (Continued)

The following is a summary of the District's lease transactions for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Payments	Balance 6/30/2022	Due In One Year
Energy Lease	\$ 901,067	\$ -	\$ 74,851	\$ 826,216	\$ 79,796
Copier Lease	25,036	-	25,036	-	-
Energy Lease	<u>\$ 926,103</u>	<u>\$ -</u>	<u>\$ 99,887</u>	<u>\$ 826,216</u>	<u>\$ 79,796</u>

2016 Energy Efficiency Lease

In 2016, the District entered into a lease agreement in the amount of \$1,196,074 for energy efficiency improvements, including upgrades to lighting throughout the District's facilities. The lease carries an interest rate of 2.85%. Annual lease payments are due on May 1 through 2031. The District has capitalized assets related to the lease in the amount of \$1,109,074. In the event of default, all past due, current, and future amounts will become immediately due and payable. The District would be required to return equipment to the lessor at the District's expense. The lessor may sell, lease, or otherwise dispose of any equipment under the lease, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy, or privilege available under applicable laws.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

<u>Year Ended June 30,</u>	Principal	Interest	Total
2023	\$ 79,796	\$ 23,548	\$ 103,344
2024	84,965	21,272	106,237
2025	90,362	18,852	109,214
2026	96,000	16,276	112,276
2027	101,886	13,540	115,426
2028-2031	<u>373,207</u>	<u>22,912</u>	<u>396,119</u>
Total	<u>\$ 826,216</u>	<u>\$ 116,400</u>	<u>\$ 942,616</u>

Total lease expense for the year ended June 30, 2022 was \$100,531.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 6: **CHANGE IN ACCOUNTING PRINCIPLES-LEASES** (Continued)

2018 Copier Lease

In 2018, the District entered into a lease agreement in the amount of \$127,019 for the purchase of copiers. The lease carried an interest rate of 11.7%. Monthly principal and interest payments in the amount of \$2,397 were due through 2022. The lease was paid in full during the year ended June 30, 2022. Total lease expense for the year ended June 30, 2022 was \$25,036.

NOTE 7: **INTERFUND BALANCES AND TRANSFERS**

At June 30, 2022, the Food Service Fund, Designated Grants Fund, Bond Redemption Fund, Student Activities Fund and Swimming Pool Fund, owe \$35,406, \$63,044, \$13,785, \$2,538, and \$21,052, respectively, to the General Fund for expenses paid by the General Fund on behalf of the funds.

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2022: Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contribution requirements are summarized in the table below:

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

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

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 \$1,106,153 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the total annual payroll of the

SCHDTF, State Division Trust Fund, Judicial 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.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

At June 30, 2022, the District reported a liability of \$10,066,451 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District’s proportionate share of the net pension liability	\$10,066,451
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,035,306
Total	\$11,101,757

At December 31, 2021, the District’s proportion was 0.0865%, which was a decrease of 0.0171% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$3,838,734) and revenue of \$136,957 for support from the State as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$385,384	\$ -
Changes of assumptions or other inputs	768,498	-
Net difference between projected and actual earnings on pension plan investments	-	3,784,685
Changes in proportion and differences between contributions recognized and proportionate share of contributions	872,222	2,272,959
Contributions subsequent to the measurement date	563,457	N/A
Total	\$2,589,561	\$6,057,644

\$563,457 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	(\$672,079)
2024	(1,688,329)
2025	(1,211,752)
2026	(459,380)

Actuarial assumptions. The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

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

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

Pre-retirement mortality assumptions were based 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:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- **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.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$14,816,993	\$10,066,451	\$6,102,301

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.

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT 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.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

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 \$56,754 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$486,869 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District'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 0.0565%, which was a decrease of 0.0034% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of (\$28,060). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$742	\$115,443
Changes of assumptions or other inputs	10,080	26,410
Net difference between projected and actual earnings on OPEB plan investments	-	30,137
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	85,937
Contributions subsequent to the measurement date	28,015	N/A
Total	\$38,837	\$257,927

\$28,015 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	(\$72,215)
2024	(69,588)
2025	(59,164)
2026	(32,707)
2027	(11,566)
Thereafter	(1,865)

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%- 10.90%	3.40%- 11.00%	3.20%- 11.30%	2.80%- 5.30%
State Troopers	3.20%- 12.40%	N/A	3.20%- 12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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 TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

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

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

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

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

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

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

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

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

These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

Sensitivity of the 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	\$472,887	\$486,869	\$503,065

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

- 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.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB	\$599,968	\$486,869	\$445,375

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2022 significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2022, the emergency reserve of \$356,901 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 3,853,969	\$ 3,918,792	\$ 4,026,467	\$ 107,675	\$ 3,360,340
Specific Ownership Taxes	424,149	540,114	471,019	(69,095)	573,591
Earnings on Investments	15,000	15,000	10,262	(4,738)	6,989
All Other Local Revenue Codes	196,391	289,131	254,372	(34,759)	392,579
Total Local Sources	<u>4,489,509</u>	<u>4,763,037</u>	<u>4,762,120</u>	<u>(917)</u>	<u>4,333,499</u>
State Sources					
State Equalization	4,433,675	4,835,938	4,127,138	(708,800)	4,236,595
Colorado Early Literacy Grant	99,611	99,611	99,134	(477)	99,667
Exceptional Children's Education Act	2,500	2,500	119,092	116,592	174,045
Transportation	147,451	147,451	150,649	3,198	145,676
Rural Schools Funding	324,951	324,951	324,951	-	290,734
PERA-On Behalf Contribution	-	-	110,532	110,532	-
All Other State Revenue	112,594	224,945	404,079	179,134	148,203
Total State Sources	<u>5,120,782</u>	<u>5,635,396</u>	<u>5,335,575</u>	<u>(299,821)</u>	<u>5,094,920</u>
Federal Sources					
Cares Act	-	-	-	-	700,177
ESSER	1,257,011	676,809	550,990	(125,819)	-
IDEA	-	32,866	-	(32,866)	-
Medicaid	39,914	39,914	50,469	10,555	59,956
All Other Federal Revenue	-	-	6,614	6,614	-
Total Federal Sources	<u>1,296,925</u>	<u>749,589</u>	<u>608,073</u>	<u>(141,516)</u>	<u>760,133</u>
TOTAL REVENUES	<u>10,907,216</u>	<u>11,148,022</u>	<u>10,705,768</u>	<u>(442,254)</u>	<u>10,188,552</u>
EXPENDITURES					
Instruction					
Salaries	3,559,441	3,557,865	3,310,604	247,261	3,324,064
Employee Benefits	1,149,946	1,164,552	1,136,073	28,479	997,268
Purchased Services	614,903	663,233	686,752	(23,519)	640,960
Supplies and Materials	205,943	276,332	230,090	46,242	135,013
Property	3,950	66,890	30,250	36,640	6,703
Other Objects and Uses	13,500	13,500	13,207	293	13,887
Total Instruction	<u>5,547,683</u>	<u>5,742,372</u>	<u>5,406,976</u>	<u>335,396</u>	<u>5,117,895</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
EXPENDITURES (Continued)					
Supporting Services					
Guidance and Nursing					
Salaries	177,721	183,761	183,203	558	186,874
Employee Benefits	57,777	59,283	59,627	(344)	59,122
Purchased Services	101,500	101,500	65,169	36,331	65,067
Supplies and Materials	4,850	4,850	3,780	1,070	1,940
Total Students	<u>341,848</u>	<u>349,394</u>	<u>311,779</u>	<u>37,615</u>	<u>313,003</u>
Staff Development/Library					
Salaries	178,230	170,169	143,713	26,456	155,214
Employee Benefits	60,113	49,163	44,852	4,311	49,494
Purchased Services	165,560	125,660	117,479	8,181	346,279
Supplies and Materials	27,400	38,450	49,067	(10,617)	68,728
Property	62,500	85,306	54,338	30,968	63,985
Total Instructional Staff	<u>493,803</u>	<u>468,748</u>	<u>409,449</u>	<u>59,299</u>	<u>683,700</u>
General Administration					
Salaries	72,512	72,512	73,909	(1,397)	50,359
Employee Benefits	33,023	33,023	25,808	7,215	18,533
Purchased Services	72,200	82,700	79,440	3,260	21,493
Supplies and Materials	1,100	1,100	667	433	9,981
Property	400	400	896	(496)	37
Other Objects and Uses	19,800	19,800	11,161	8,639	12,815
Total General Administration	<u>199,035</u>	<u>209,535</u>	<u>191,881</u>	<u>17,654</u>	<u>113,218</u>
School Administration					
Salaries	621,397	629,665	627,364	2,301	556,631
Employee Benefits	177,382	182,525	183,107	(582)	161,572
Purchased Services	2,300	2,300	1,326	974	909
Supplies and Materials	4,200	4,200	4,027	173	11,481
Property	1,000	1,000	843	157	1,483
Other Objects and Uses	2,450	2,450	3,001	(551)	2,241
Total School Administration	<u>808,729</u>	<u>822,140</u>	<u>819,668</u>	<u>2,472</u>	<u>734,317</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Administration					
Salaries	125,151	125,988	137,079	(11,091)	132,320
Employee Benefits	35,358	35,545	36,861	(1,316)	34,837
Purchased Services	35,160	57,848	46,259	11,589	20,987
Supplies and Materials	48,901	50,000	54,684	(4,684)	44,484
Property	500	500	420	80	925
Other Objects and Uses	800	800	65	735	65
Total Business Services	<u>245,870</u>	<u>270,681</u>	<u>275,368</u>	<u>(4,687)</u>	<u>233,618</u>
Operations and Maintenance					
Salaries	424,690	430,803	393,027	37,776	375,345
Employee Benefits	155,742	155,669	127,728	27,941	126,048
Purchased Services	154,720	154,720	118,907	35,813	164,161
Supplies and Materials	379,081	377,418	402,695	(25,277)	386,803
Property	16,085	101,400	77,732	23,668	14,404
Total Operations and Maintenance	<u>1,130,318</u>	<u>1,220,010</u>	<u>1,120,089</u>	<u>99,921</u>	<u>1,066,761</u>
Student Transportation					
Salaries	366,996	357,579	356,050	1,529	345,365
Employee Benefits	113,288	117,772	115,188	2,584	112,058
Purchased Services	15,200	15,200	96,497	(81,297)	10,797
Supplies and Materials	67,650	67,650	76,265	(8,615)	55,659
Property	163,000	163,000	159,412	3,588	52,431
Total Student Transportation	<u>726,134</u>	<u>721,201</u>	<u>803,412</u>	<u>(82,211)</u>	<u>576,310</u>
Central Support					
Salaries	55,646	56,708	55,947	761	56,768
Employee Benefits	18,033	18,270	15,111	3,159	17,737
Purchased Services	294,615	294,615	261,612	33,003	224,237
Supplies and Materials	16,200	16,200	16,902	(702)	23,434
Property	800	800	787	13	3,712
Total Central Support	<u>385,294</u>	<u>386,593</u>	<u>350,359</u>	<u>36,234</u>	<u>325,888</u>
Other Support					
Salaries	78,500	78,500	96,673	(18,173)	282,801
Employee Benefits	1,500	1,500	5,458	(3,958)	53,464
Total Other Support	<u>80,000</u>	<u>80,000</u>	<u>102,131</u>	<u>(22,131)</u>	<u>336,265</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
Facilities/Capital Outlay					
Purchased Services	124,184	124,184	18,956	105,228	7,589
Property	35,000	145,000	14,430	130,570	124,623
Debt Service	100,531	100,531	100,531	-	97,798
Total Facilities/Capital Outlay	<u>259,715</u>	<u>369,715</u>	<u>133,917</u>	<u>235,798</u>	<u>230,010</u>
 Total Supporting Services	 <u>4,670,746</u>	 <u>4,898,017</u>	 <u>4,518,053</u>	 <u>379,964</u>	 <u>4,613,090</u>
 RESERVES					
Contingency			-	-	-
Operating Reserve	-	-	-	-	-
Assigned Reserves	-	-	-	-	-
Emergency Reserves	-	-	-	-	-
 TOTAL RESERVES	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 TOTAL EXPENDITURES	 <u>10,218,429</u>	 <u>10,640,389</u>	 <u>9,925,029</u>	 <u>715,360</u>	 <u>9,730,985</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>688,787</u>	 <u>507,633</u>	 <u>780,739</u>	 <u>273,106</u>	 <u>457,567</u>
 OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	<u>(75,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>45,000</u>	<u>(55,000)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(75,000)</u>	 <u>(45,000)</u>	 <u>-</u>	 <u>45,000</u>	 <u>(55,000)</u>
 CHANGE IN FUND BALANCE	 613,787	 462,633	 780,739	 318,106	 402,567
 FUND BALANCES, Beginning	 <u>2,707,024</u>	 <u>5,357,266</u>	 <u>5,357,266</u>	 <u>-</u>	 <u>4,954,699</u>
 FUND BALANCES, Ending	 <u>\$ 3,320,811</u>	 <u>\$ 5,819,899</u>	 <u>\$ 6,138,005</u>	 <u>\$ 318,106</u>	 <u>\$ 5,357,266</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 FOOD SERVICE FUND
 Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources	\$ 109,495	\$ 13,250	\$ 13,460	\$ 210	\$ 41,603
State Sources	4,130	-	1,760	1,760	3,798
Federal Sources	108,135	301,529	391,661	90,132	275,498
TOTAL REVENUES	221,760	314,779	406,881	92,102	320,899
EXPENDITURES					
Supporting Services					
Salaries	111,569	116,091	100,697	15,394	93,933
Benefits	31,225	31,448	28,051	3,397	27,389
Purchased Services	5,000	5,000	486	4,514	3,002
Food	126,650	133,500	169,872	(36,372)	155,806
Other Supplies	11,350	11,350	11,135	215	55,609
Property	8,000	34,344	13,464	20,880	18,976
Other Objects and Uses	2,000	2,000	475	1,525	343
TOTAL EXPENDITURES	295,794	333,733	324,180	9,553	355,058
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(74,034)	(18,954)	82,701	101,655	(34,159)
OTHER FINANCING SOURCES (USES)					
Transfers In	75,000	45,000	-	(45,000)	55,000
CHANGE IN FUND BALANCE	966	26,046	82,701	56,655	20,841
FUND BALANCES, Beginning	40,952	26,712	26,712	-	5,871
FUND BALANCES, Ending	\$ 41,918	\$ 52,758	\$ 109,413	\$ 56,655	\$ 26,712

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
DESIGNATED GRANTS FUND
Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Federal Sources	\$ 425,353	\$ 456,438	\$ 443,746	\$ (12,692)	\$ 397,443
TOTAL REVENUES	425,353	456,438	443,746	(12,692)	397,443
EXPENDITURES					
Instruction					
Salaries	252,484	310,877	277,139	33,738	226,637
Benefits	69,813	70,856	80,485	(9,629)	77,197
Purchased Services	4,952	-	-	-	1,160
Materials and Supplies	12,074	4,694	31,415	(26,721)	-
Property	1,377	-	-	-	6,074
Other Objects and Uses	50	50	-	50	-
Total Instruction	340,750	386,477	389,039	(2,562)	311,068
Supporting Services					
Salaries	39,537	30,257	40,526	(10,269)	52,006
Benefits	14,399	9,153	7,955	1,198	4,133
Purchased Services	4,500	4,500	-	4,500	-
Materials and Supplies	4,083	3,967	-	3,967	453
Property	22,084	22,084	6,226	15,858	29,783
Other	-	-	-	-	-
Total Supporting Services	84,603	69,961	54,707	15,254	86,375
TOTAL EXPENDITURES	425,353	456,438	443,746	12,692	397,443
CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability (Asset)	0.0865%	0.1036%	0.0946%	0.0960%
Proportionate Share of the Net Pension Liability (Asset)	\$10,066,451	\$15,655,850	\$14,139,316	\$16,994,316
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	<u>1,035,306</u>	<u>-</u>	<u>1,793,393</u>	<u>2,323,737</u>
Total Proportionate Share of the Net Pension Liability (Asset)	<u>\$11,101,757</u>	<u>\$15,655,850</u>	<u>\$15,932,709</u>	<u>\$19,318,053</u>
Covered payroll	\$ 5,404,388	\$ 5,540,027	\$ 5,525,893	\$ 5,276,252
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.3%	282.6%	255.87%	322.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.86%	66.99%	64.52%	57.01%

NOTE: Information for the prior year was not available for this report

See the accompanying independent auditor's report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
0.1157%	0.1217%	0.1279%	0.1328%	0.1421%
\$37,398,411	\$36,220,517	\$19,563,383	\$17,992,775	\$18,122,121
-	-	-	-	-
<u>\$37,398,411</u>	<u>\$36,220,517</u>	<u>\$19,563,383</u>	<u>\$17,992,775</u>	<u>\$18,122,121</u>
\$ 5,334,985	\$ 5,459,961	\$ 5,574,417	\$ 5,561,486	\$ 5,727,651
701.00%	663.38%	350.95%	323.52%	316.40%
43.96%	43.10%	59.20%	62.80%	64.06%

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions	\$ 1,106,153	\$1,084,051	\$1,070,918	\$1,009,347	\$ 993,908
Contributions in Relation to the Contractually Required Contributions	<u>1,106,153</u>	<u>1,084,051</u>	<u>1,070,918</u>	<u>1,009,347</u>	<u>993,908</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,564,141	\$5,453,020	\$5,525,893	\$5,276,252	\$5,334,985
Contributions as a Percentage of Covered Payroll	19.88%	19.88%	19.38%	19.13%	18.63%

NOTE: Information for the prior year was not available for this report

See the accompanying independent auditor's report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 989,891	\$ 966,046	\$ 913,752	\$ 889,504
<u>989,891</u>	<u>966,046</u>	<u>913,752</u>	<u>889,504</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$5,459,961	\$5,574,417	\$5,561,486	\$5,727,651
18.13%	17.33%	16.43%	15.53%

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net OPEB Liability (Asset)	0.0565%	0.0599%	0.0618%	0.0624%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 486,869	\$ 569,264	\$ 695,177	\$ 848,762
Covered payroll	5,404,388	\$5,540,027	\$5,525,893	\$5,276,252
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.0%	10.3%	12.58%	16.09%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%

NOTE: Information for the prior four years was not available for this report.

See the accompanying independent auditor's report

<u>2017</u>	<u>2016</u>
0.0657%	0.0691%
\$ 854,022	\$ 896,534
\$5,334,985	\$5,459,961
16.01%	16.42%
17.53%	16.72%

PLATTE CANYON SCHOOL DISTRICT 1
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contributions	\$ 56,754	\$ 55,621	\$ 56,364	\$ 53,818	\$ 54,417	\$ 55,692
Contributions in Relation to the Contractually Required Contributions	<u>56,754</u>	<u>55,621</u>	<u>56,364</u>	<u>53,818</u>	<u>54,417</u>	<u>55,692</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,564,141	\$ 5,453,020	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior four years was not available for this report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

PLATTE CANYON SCHOOL DISTRICT 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
ASSETS			
Cash and Investments	\$ 180,060	\$ 170,592	\$ 350,652
Due From Other Funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 180,060</u>	<u>\$ 170,592</u>	<u>\$ 350,652</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due To Other Funds	\$ 2,538	\$ 21,052	\$ 23,590
Accrued Salaries and Benefits	-	2,059	2,059
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>2,538</u>	<u>23,111</u>	<u>25,649</u>
FUND EQUITY			
Assigned	<u>177,522</u>	<u>147,481</u>	<u>325,003</u>
TOTAL FUND EQUITY	<u>177,522</u>	<u>147,481</u>	<u>325,003</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 180,060</u>	<u>\$ 170,592</u>	<u>\$ 350,652</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
REVENUES			
Local Sources	\$ 175,329	\$ 213,792	\$ 389,121
TOTAL REVENUES	<u>175,329</u>	<u>213,792</u>	<u>389,121</u>
EXPENDITURES			
Current			
Instruction	140,700	-	140,700
Supporting Services	-	176,372	176,372
TOTAL EXPENDITURES	<u>140,700</u>	<u>176,372</u>	<u>317,072</u>
NET CHANGE IN FUND BALANCES	34,629	37,420	72,049
FUND BALANCES, Beginning	<u>142,893</u>	<u>110,061</u>	<u>252,954</u>
FUND BALANCES, Ending	<u>\$ 177,522</u>	<u>\$ 147,481</u>	<u>\$ 325,003</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 STUDENT ACTIVITIES FUND
 Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources					
Other	\$ 151,035	\$ 151,065	\$ 175,329	\$ 24,264	\$ 131,312
TOTAL REVENUES	151,035	151,065	175,329	24,264	131,312
EXPENDITURES					
Instruction					
Purchased Services	-	-	9,363	(9,363)	4,670
Materials and Supplies	165,633	165,633	131,337	34,296	97,130
Other Objects and Uses	-	-	-	-	125
TOTAL EXPENDITURES	165,633	165,633	140,700	24,933	101,925
CHANGE IN FUND BALANCE	(14,598)	(14,568)	34,629	49,197	29,387
FUND BALANCE, Beginning	116,707	142,893	142,893	-	113,506
FUND BALANCE, Ending	\$ 102,109	\$ 128,325	\$ 177,522	\$ 49,197	\$ 142,893

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 SWIMMING POOL FUND
 Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 99,956	\$ 99,956	\$ 124,006	\$ 24,050	\$ 103,687
Charges for Services	69,760	78,500	89,786	11,286	84,522
TOTAL REVENUES	169,716	178,456	213,792	35,336	188,209
EXPENDITURES					
Supporting Services					
Salaries	86,524	97,024	105,119	(8,095)	98,433
Benefits	25,580	25,580	29,331	(3,751)	26,958
Purchased Services	3,850	3,850	2,143	1,707	1,457
Supplies	40,000	39,265	37,527	1,738	34,112
Property	3,500	3,500	1,607	1,893	867
Other Objects and Uses	8,500	8,500	645	7,855	1,273
TOTAL EXPENDITURES	167,954	177,719	176,372	1,347	163,100
CHANGE IN FUND BALANCE	1,762	737	37,420	36,683	25,109
FUND BALANCE, Beginning	65,616	110,062	110,061	(1)	84,952
FUND BALANCE, Ending	<u>\$ 67,378</u>	<u>\$ 110,799</u>	<u>\$ 147,481</u>	<u>\$ 36,682</u>	<u>\$ 110,061</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 853,065	\$ 844,733	\$ 802,846	\$ (41,887)	\$ 806,534
Earnings on Investments	750	750	928	178	565
TOTAL REVENUES	853,815	845,483	803,774	(41,709)	807,099
EXPENDITURES					
Supporting Services					
Purchased Services	17,500	17,500	826	16,674	858
Debt Service					
Principal	750,000	750,000	750,000	-	735,000
Interest	72,575	72,575	72,575	-	89,300
TOTAL EXPENDITURES	840,075	840,075	823,401	16,674	825,158
CHANGE IN FUND BALANCE	13,740	5,408	(19,627)	(25,035)	(18,059)
FUND BALANCE, Beginning	912,552	933,039	933,039	-	951,098
FUND BALANCE, Ending	\$ 926,292	\$ 938,447	\$ 913,412	\$ (25,035)	\$ 933,039

See the accompanying independent auditor's report.



Colorado Department of Education
Auditors Integrity Report
 District: 2600 - Platte Canyon 1
 Fiscal Year 2021-22
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	5,619,397		10,318,015	9,521,493		6,415,919
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	-262,131		387,753	403,534		-277,912
Sub-Total	5,357,266		10,705,769	9,925,027		6,138,007
11 Charter School Fund	0		0	0		0
20-26-29 Special Revenue Fund	110,062		213,792	176,372		147,481
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	26,712		406,881	324,179		109,414
22 Govt Designated-Purpose Grants Fund	0		443,746	443,746		0
23 Pupil Activity Special Revenue Fund	142,893		175,329	140,701		177,522
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	933,039		803,774	823,401		913,412
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	6,569,972		12,749,290	11,833,427		7,485,836
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

COMPLIANCE



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Platte Canyon School District 1
Bailey, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Canyon School District (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, and have issued our report thereon dated October 27 , 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PB Solutions LLC

Littleton, Colorado
October 27, 2022



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Platte Canyon School District 1
Bailey, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Platte Canyon School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PB Solutions LLC

Littleton, Colorado
October 27, 2022

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identification Number	Total Federal Expenditures
<u>U. S. Department of Education</u>			
<i>Passed-Through the Colorado Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	4010	159,854
Special Education Grants to States	(2) 84.027	4027	196,473
Special Education Grants to States	(2) 84.027	6027	32,866
Rural Education Initiatives	84.358	4358	6,226
Supporting Effective Instruction State Grants, Title II, Part A	84.367	4367	38,327
Student Support and Academic Enrichment Program	84.424	4424	10,000
Education Stabilization Fund - COVID 19	84.425D	4425	6,621
Education Stabilization Fund - COVID 19	84.425U	4414	157,103
Education Stabilization Fund - COVID 19	84.425D	4420	387,266
Total U.S. Department of Education			<u>994,736</u>
<u>U. S. Department of Agriculture</u>			
<i>Passed-Through the Colorado Department of Education</i>			
National School Lunch Program	(1) 10.555	4555	300,445
School Breakfast Program	(1) 10.553	4553	57,633
Child Nutrition Discretionary Grants	10.579	None	16,166
Commodity Supplemental Food Program	(1) 10.555	6555	17,417
State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	4649	614
Total U.S. Department of Agriculture			<u>392,275</u>
<u>National Endowment for the Humanities</u>			
<i>Passed-Through the Colorado Department of Education</i>			
Grants to States	45.310	7310	<u>6,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,393,011</u></u>

(1) Part of the Child Nutrition Cluster, total Cluster expenditures 375,495

(2) Special Education Cluster, total Cluster expenditures 229,339

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District. The Schedule includes federally funded amounts of pass-through awards received by the District through the State of Colorado. The information this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule represents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in position or cash flows of the District.
2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met. Such expenditures are recognized following, as applicable, either the cost principal contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursements. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors. The District has elected not to use the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. During the year ended June 30, 2022, the District did not pass through any federal funds to subrecipients.
4. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
5. Commodities donated to the Organization by the U.S. Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The commodities are reported under the National School Lunch Program (CFDA 10.555) on the Schedule. The Organization recognized noncash awards of \$16,166 for the year ended June 30, 2022.

PLATTE CANYON SCHOOL DISTRICT 1

Schedule Findings and Questioned Costs
For the year ended June 30, 2022

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings

No findings noted.