

STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2022

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SINGLE AUDIT

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education
Steamboat Springs School District RE-2
Steamboat Springs, Colorado

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Steamboat Springs School District RE-2 (the district) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Steamboat Springs School District RE-2, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. The discretely presented component unit was not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

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



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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB schedules on pages 4-10 and 57-59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the district's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budget schedules, Auditor's Integrity Report, and 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*



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Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 January 9, 2023, 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 district'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 district's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
January 9, 2023

**Steamboat Springs School District RE-2
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2022**

As management of the Steamboat Springs School District RE-2, Routt County, Colorado (the District), we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the primary government for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of the District were more than its liabilities at the close of the most recent fiscal year by \$9,991,007 (*net position* for the primary reporting entity excluding the charter school). Of this amount, (\$33,801,207) (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors. The negative unrestricted net position is caused by the District's OPEB Obligations, which illustrates the District's share of PERA's unfunded liabilities. Net Pension and OPEB Obligations decreased by \$12,354,620.
- The District's total net position increased by \$22,249,376. The increase is primarily due to a reduction of Net Pension Liability, the reduction of the Net OPEB Liability, and the change in pension related inflows and outflows.
- The District's long-term obligations decreased by \$18,926,902 as a result of changes in OPEB, Net Pension Liability, and debt.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$29,762,957, a decrease of \$25,944,722 in comparison with the prior year. The decrease is from Building Fund dollars being spent down on capital projects (created by the January 2020 Bond Sale). The General Fund's unassigned fund balance is \$7,810,159 and the restricted fund balance is \$1,243,567.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages **11-54** are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements. The *district-wide financial statements* are designed to provide the reader of the District's financial statements a broad overview of the financial activities in a manner similar to a private sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the District's assets, deferred outflows, liabilities, and deferred inflows. The difference between assets, deferred outflows, liabilities, and deferred inflows is reported as *net position*. Over time changes in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The district-wide financial statements consolidate governmental activities that are supported from taxes and intergovernmental revenues. Governmental activities consolidate governmental funds including the general fund, debt service, capital projects, and special revenue funds, as well as the internal service insurance fund.

The district-wide financial statements also include information on component units that are legally separate from the District (known as the *primary government*). At the close of the current fiscal year, the District has included information for one *component unit*, the North Routt Community Charter School.

Financial information for the Charter School is presented separately from the primary government because the Charter School is financially accountable to the District and provides services to the District's students.

The district-wide financial statements can be found on pages **11-12**.

Fund Financial Statements. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same information reported in the *governmental activities* of the district-wide financial statements. However, unlike the district-wide statements, the governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the financing requirements in the near term.

Since the *governmental funds* and the *governmental activities* report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains seven different governmental funds. The major funds are the general fund, the building fund, and the debt service fund. They are presented separately in the fund financial statements with the remaining governmental funds in a single column presentation labeled Non-major Governmental Funds.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

The governmental fund financial statements can be found on pages **13-17**.

Proprietary Funds. The District maintains one type of proprietary funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for revenues and expenses associated with health insurance claims and premiums.

The proprietary fund financial statements are presented on pages **18-20**.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages **21-54** of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also contains certain *supplementary information* concerning the budget to actual comparison for all of the District's funds, except the general fund. Required supplementary information can be found on pages **55-58** and fund statements can be found on pages **59-67** of this report.

District-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenditures are current assets. These 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 collection process; the District receives approximately 90% of the annual property tax assessment in March through June.

Capital assets are used in the operations of the District. These assets are land, buildings, equipment, and vehicles. Capital assets are discussed in greater detail elsewhere in this analysis.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and so will not be recognized as an outflow of resources until then.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenue, interest payable, estimates for claims and premiums, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2023. Long-term liabilities such as long-term debt obligations, early retirement benefits and compensated absences will be liquidated from resources that will become available after fiscal year 2022.

The assets and deferred outflows of the primary government activities are more than liabilities and deferred inflows by \$9,991,007 with an unrestricted net position balance of (\$33,801,207). Total net position of the primary government does not include internal balances.

A net investment of \$35,285,322 in land, buildings, equipment, and vehicles provide services to the District's 2,665 public school students. Net position of \$7,263,325 accumulated due to voter approved bonded debt mill levy assessments have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments. The legally required TABOR reserve of \$1,243,567 is restricted.

District-wide net position increased by \$22,249,376, to a positive \$9,991,007, during the year ended June 30, 2022 primarily due to a reduction of Net Pension Liability, the reduction of the Net OPEB Liability, and the change in pension related inflows and outflows.

**Steamboat Springs School District
Condensed Statement of Net Position**

	Governmental Activities		
	6/30/2022	6/30/2021	6/30/2020
Assets:			
Current assets	\$39,975,717	\$70,321,735	\$122,677,264
Capital assets net of depreciation	\$147,964,480	\$121,541,599	\$65,882,578
Total assets:	\$187,940,197	\$191,863,334	\$188,559,842
Deferred outflows	\$7,930,577	\$11,344,306	\$5,809,959
Liabilities			
Current liabilities	\$16,409,784	\$21,008,781	\$14,933,258
Noncurrent liabilities	\$154,540,789	\$179,467,691	\$176,354,367
Total liabilities	\$170,950,573	\$194,476,472	\$191,287,625
Deferred Inflows	\$14,929,194	\$20,989,537	\$29,729,745
Net position:			
Net investment in capital assets	\$35,285,322	\$36,796,071	\$25,076,036
Restricted	\$8,506,892	\$8,282,679	\$104,077,828
Unrestricted	(\$33,801,207)	(\$57,337,119)	(\$155,801,433)
Total net position	\$9,991,007	(\$12,258,369)	(\$26,647,569)

Steamboat Springs School District
Condensed Statement of Changes in Net Position

	Governmental Activities		
	6/30/2022	6/30/2021	6/30/2020
Revenues			
Program Revenues:			
Charges for services	\$1,954,014	\$1,667,918	\$1,557,959
Operating grants and contributions	\$8,307,029	\$5,466,928	\$5,859,749
Capital grants and contributions	\$471,277	\$1,255,722	\$702,837
General Revenues:			
Property Taxes	\$27,006,450	\$23,171,795	\$22,881,082
Specific ownership taxes	\$1,815,505	\$1,716,665	\$1,476,315
Investment earnings	\$75,669	\$159,806	\$688,029
State equalization aid	\$12,051,018	\$10,426,434	\$11,770,652
Other revenues	\$97,804	\$89,886	\$113,279
Total Revenues	\$51,778,766	\$43,955,154	\$45,049,902
Expenses			
Governmental activities			
Instruction	\$14,896,603	\$13,790,015	\$15,673,407
Pupil support services	\$937,450	\$1,971,985	\$1,216,678
Instructional staff	\$1,858,208	\$1,948,155	\$1,608,032
General administration	\$3,432,300	\$596,268	\$1,434,150
School administration	\$812,961	\$1,123,691	\$1,245,466
Business services	\$401,518	\$582,237	\$376,333
Plant maintenance and operations	\$2,410,760	\$3,030,860	\$3,812,610
Transportation	\$1,607,524	\$937,574	\$909,483
Central support	\$2,348,142	\$1,920,808	\$1,939,756
Community services	\$0	\$0	\$0
Interest expenses	\$3,336,399	\$3,660,612	\$2,199,954
Food services	\$576,595	\$551,615	\$578,689
Total Expenses	\$29,529,390	\$30,113,820	\$30,994,558
Excess before transfers and other	\$22,249,376	\$13,841,334	\$14,055,344
Transfers			
Proceeds of note receivable	\$0	\$0	\$0
Gain (loss) on sale of capital assets	\$0	\$0	\$0
Change in net position	\$22,249,376	\$13,841,334	\$14,055,344
Beginning net position	(\$12,258,369)	(\$26,647,569)	(\$40,702,913)
Change in Accounting Principle	\$0	\$547,866	\$0
Ending net position	\$9,991,007	(\$12,258,369)	(\$26,647,569)

Financial Analysis of the District's Governmental Funds

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

The governmental funds of the District provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unreserved fund balance, in particular, measures the District's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the District. Property taxes, specific ownership taxes, and per pupil state formula revenue via the School Finance Act accounts for most of the District's revenue. The School Finance Act dictates that local property tax, a portion of specific ownership tax collected locally, and state equalization fund Total Program (FPC * PPF). Student funded pupil count (FPC) decreased by 8 FTE to 2,631.5 funded students in the fiscal year ending June 30, 2022. Student per pupil funding (PPF) increased by \$745, or 9%, to \$8,852. These two variables increased total program funding by \$1,905,191 to \$23,295,996 in the fiscal year. Local property tax contributed 40%, specific ownership tax contributed 3.6%, and State Share contributed 56.4%.

The bond redemption debt service fund has adequate resources accumulated to make the December 2022 principal and interest payments. The mill levy to accumulate resources for the June 2023 interest payments will be certified in December 2022.

The building fund was the result of passing the January 2020 \$79.5 million bond. The Bond proceeds go into this fund and pay for the November 2019 projects. Barring any unforeseen circumstances, all of the money will be spent by June 30, 2023, and the fund will be closed.

The supplemental capital projects fund, created in 2018, was the result of passing the November 2017 1.146 mills Mill Levy Override. The purpose of this fund is to fund future capital construction, new instructional technology, existing technology upgrades and maintenance needs of the district.

The capital projects fund is used to account for alterations and improvements to existing structures, and the acquisition of school buses and other equipment. A transfer from the General Fund in the amount of \$800,000 and a small grant supported capital outlay from this fund in the year ended June 30, 2022.

Financial Analysis of the District's Proprietary Fund

The District uses an internal service fund to account for revenues and expenses associated with health insurance claims and premiums. This fund was set up July 1, 2012 when the district went to a self-funded insurance model. Medical, prescription, dental, vision, and administrative costs are funded through premiums from the district and employees. The fund's fund balance increased by \$244,503 to \$1,378,997. The fund balance is 27% of FY22's operating expenses. The ideal minimum for this fund is in the 20-25% range. The risk of this fund having a low fund balance is that the General Fund is ultimately responsible to meet any shortfall in the fund's annual performance. This occurred in FY17 when the General Fund subsidized the Health fund \$500,000. This fund's expenses are very volatile and hard to accurately budget.

General Fund Budgetary Highlights

Differences between the final budget and actual can be briefly summarized as follows:

- Actual revenues were \$469,460, or 1.2%, more than budgeted.
 - State Equalization was \$205,984 greater because of additional funding the state authorized after the amended budget was adopted in January 2022.
 - Federal Sources were \$139,097 greater because a couple of grants were awarded after the amended budget was adopted
 - Specific Ownership Taxes were \$115,505 more than budgeted because of continued demand for vehicle purchases.

- Actual expenditures, negating the Contingency budgeted, were \$710,986, or 1.9%, lower than budget.
 - Salary and benefits expense were \$776,200, or 2.6%, lower than budgeted because of several positions the District was not able to fill during the year.
 - Supplies expense were \$368,052, or 10%, higher than budget largely in areas such as utilities, fuel, transportation parts, and curriculum purchases.
- Net Fund Balance increased by \$1,109,353 to \$9,055,207, resulting in a general fund balance as a percentage of FY22 expenditures of 24%. An ideal fund balance for school districts of this size is 25% of annual expenditures.

The District’s investment in capital assets for its governmental activities as of June 30, 2022 increased to \$147,964,480 (net of accumulated depreciation). Capital assets include land, buildings, construction in progress, vehicles, and equipment. Capital assets increased by 22% due to continued construction during the year

**Steamboat Springs School District RE-2
Capital Assets (net of accumulated depreciation)
June 30, 2022**

	Governmental Activities
Land & C.I.P.	\$ 88,904,301
Buildings	57,218,360
Equipment	<u>1,841,819</u>
	<u>\$147,964,480</u>

Additional information on the District’s capital assets can be found in note D on page **32** of this report.

At June 30, 2022, the District had total bonded debt outstanding of \$100,020,000 backed by the full faith and credit of the District. The District also had \$1,950,000 in certificates of participation, also backed by the full faith and credit of the District. The District maintains an “Aa2” rating from Moody’s for all general obligation debt.

State statutes limit the amount of general obligation debt to 20% of Assessed Valuation. Assessed Valuation in December 2022 was \$1,138,972,450, generating a legal debt limit of \$227,794,490, which is significantly in excess of the District’s outstanding general obligation debt.

Additional information on the District’s long-term obligations can be found in note E on pages **32-35**.

Economic Factors and Next Year’s Budget. The annual budget process examines each program. Salary and benefits increases supporting cost of living, step and education level are generally granted when funding is adequate to accommodate increases. This concept assumes existing staffing ratios are level and non-compensation budgets are continued to the next year unless specifically identified to change in the budget development process. In June 2022, a two-year agreement for wage increases was negotiated in excess of anticipated revenue sources in the coming year. The Board of Education agreed to use a portion of fund balance in FY23 to cover the shortfall between revenues and expenses in an effort to accommodate the inflationary pressures staff are currently facing.

Requests for Information

This financial report is designed to provide a general overview of the District’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Office, Steamboat Springs School District RE-2, 325 7th Street, Steamboat Springs, CO 80487.

Complete financial statements for the Charter School may be obtained at the School’s offices.

BASIC FINANCIAL STATEMENTS

Steamboat Springs School District RE-2
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Component Unit
		Charter School
ASSETS		
Cash and investments	\$ 36,199,934	\$ 626,140
Accounts receivable	1,397,385	41,261
Property taxes receivable (net)	1,306,859	-
Due from other governments	766,246	153,344
Due from primary government	-	-
Inventories and prepaid expenses	305,293	-
Capital assets, net of accumulated depreciation	147,964,480	3,674,127
Total Assets	<u>187,940,197</u>	<u>4,494,872</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunded debt	433,699	-
Deferred outflows related to pension	7,213,876	617,661
Deferred outflows related to OPEB	283,002	27,586
Total Deferred Outflows of Resources	<u>7,930,577</u>	<u>645,247</u>
LIABILITIES		
Accounts payable and other accrued liabilities	2,954,096	26,121
Accrued compensation	5,572,504	177,787
Accrued interest	420,810	-
Claims payable	434,082	-
Due to component unit	153,344	-
Unearned revenues	302,666	-
Noncurrent liabilities		
Due within one year		
Bonds/Notes	6,572,282	-
Due in more than one year		
Bonds/Notes	117,366,125	-
Net OPEB obligation	1,695,636	81,026
Net pension obligation	35,479,028	1,760,684
Total Liabilities	<u>170,950,573</u>	<u>2,045,618</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	14,328,134	670,381
Deferred inflows related to OPEB	601,060	29,822
Total Deferred Inflows of Resources	<u>14,929,194</u>	<u>700,203</u>
NET POSITION		
Net investment in capital assets	35,285,322	3,674,127
Restricted for:		
Debt service	7,263,325	-
TABOR	1,243,567	-
Construction	-	93,997
Unrestricted	(33,801,207)	(1,373,826)
Total Net Position	<u>\$ 9,991,007</u>	<u>\$ 2,394,298</u>

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Expenses	Program Revenues			Net (Expense)	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	
					Governmental Activities	Charter School
Functions/Programs						
Governmental activities:						
Instruction	14,896,603	\$ 876,633	\$ 6,158,018	\$ 49,472	\$ (7,812,480)	\$ -
Pupil support services	937,450	702,023	730,840	-	495,413	-
Instructional staff	1,858,208	-	-	-	(1,858,208)	-
General administration	343,230	-	-	-	(343,230)	-
School administration	812,961	52,804	-	-	(760,157)	-
Business services	401,518	-	-	-	(401,518)	-
Operations and maintenance	2,410,760	115,095	-	421,805	(1,873,860)	-
Transportation	1,607,524	178,871	204,421	-	(1,224,232)	-
Central support	2,348,142	-	-	-	(2,348,142)	-
Food service	576,595	28,588	1,213,750	-	665,743	-
Interest on long-term debt	3,336,399	-	-	-	(3,336,399)	-
Total governmental activities	<u>\$ 29,529,390</u>	<u>\$ 1,954,014</u>	<u>\$ 8,307,029</u>	<u>\$ 471,277</u>	<u>(18,797,070)</u>	<u>-</u>
Component units:						
Charter school	\$ 1,801,774	\$ 357,348	\$ 641,557	\$ 32,698	-	(770,171)
Total component unit	<u>\$ 1,801,774</u>	<u>\$ 357,348</u>	<u>\$ 641,557</u>	<u>\$ 32,698</u>	<u>-</u>	<u>(770,171)</u>
General revenues:						
Property taxes, levied for general purposes					16,122,245	-
Property taxes, levied for capital projects					1,224,601	-
Property taxes, levied for debt service					9,659,604	-
Specific ownership taxes					1,815,505	-
State aid – equalization					12,051,018	1,066,742
Other State aid					7,928	-
Federal aid					89,876	-
Investment earnings					75,669	1,774
Total general revenues					<u>41,046,446</u>	<u>1,068,516</u>
Change in net position					22,249,376	298,345
Net position - beginning					(12,258,369)	2,095,953
Net position - ending					<u>\$ 9,991,007</u>	<u>\$ 2,394,298</u>

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Debt Service Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,681,229	\$ -	\$ 461,440	\$ 4,228,773	\$ 12,371,442
Investments	4,001,369	7,013,643	10,825,550	-	21,840,562
Investments held by others	-	-	-	200,228	200,228
Accounts receivable	1,353,656	-	-	-	1,353,656
Property taxes receivable	845,355	409,079	-	52,425	1,306,859
Due from other governments	596,489	-	-	169,757	766,246
Due from other funds	-	-	-	-	-
Inventory	-	-	-	666	666
Prepaid items	1,480	-	303,147	-	304,627
Total Assets	<u>\$ 14,479,578</u>	<u>\$ 7,422,722</u>	<u>\$ 11,590,137</u>	<u>\$ 4,651,849</u>	<u>\$ 38,144,286</u>
LIABILITIES					
Current Liabilities					
Accounts payable/accrued liabilities	\$ 291,012	\$ -	\$ 2,558,977	\$ 85,753	\$ 2,935,742
Accrued compensation	4,479,221	-	-	63,245	4,542,466
Due to other funds	-	-	-	-	-
Due to component unit	153,344	-	-	-	153,344
Unearned revenues	233,539	-	-	69,127	302,666
Total Liabilities	<u>5,157,116</u>	<u>-</u>	<u>2,558,977</u>	<u>218,125</u>	<u>7,934,218</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	267,256	159,397	-	20,458	447,111
FUND BALANCES					
Nonspendable	1,480	-	-	666	2,146
Restricted					
Emergencies	1,243,567	-	-	-	1,243,567
Debt service	-	7,263,325	-	-	7,263,325
Capital projects	-	-	9,031,160	-	9,031,160
Assigned					
Other capital projects	-	-	-	3,302,392	3,302,392
Student activities	-	-	-	622,764	622,764
Food service	-	-	-	487,444	487,444
Unassigned	7,810,159	-	-	-	7,810,159
Total fund balances	<u>9,055,206</u>	<u>7,263,325</u>	<u>9,031,160</u>	<u>4,413,266</u>	<u>29,762,957</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 14,479,578</u>	<u>\$ 7,422,722</u>	<u>\$ 11,590,137</u>	<u>\$ 4,651,849</u>	<u>\$ 38,144,286</u>

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2022

Total fund balances – governmental funds \$ 29,762,957

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$189,844,577 and the accumulated depreciation is \$41,880,099. 147,964,479

Deferred charge on refunded debt is not a financial resource and therefore is not reported as an asset in the governmental funds 433,699

Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 1,378,996

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore, to pay for the current period's expenditures, and therefore, are deferred in the funds. 447,111

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.

Long-term liabilities at year end consist of:

Bonds and COPs payable	\$ (101,970,000)	
Accrued interest payable	(420,810)	
Compensated absences	(694,548)	
Special termination benefits payable	(335,490)	
Premium on bonds	(21,968,407)	
Net pension obligation	(35,479,028)	
Net OPEB obligation	(1,695,636)	
Deferred inflows related to pension	(14,328,134)	
Deferred inflows related to OPEB	(601,060)	
Deferred outflows related to pension	7,213,876	
Deferred outflows related to OPEB	283,002	<u>(169,996,235)</u>

Total net position – governmental activities \$ 9,991,007

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Debt		Building Fund	Nonmajor	Total
	General Fund	Service Fund		Governmental Funds	Governmental Funds
REVENUES					
Property taxes	\$ 16,066,742	\$ 9,606,291	\$ -	\$ 1,232,672	\$ 26,905,705
Specific ownership taxes	1,815,505	-	-	-	1,815,505
Federal sources	1,247,523	-	-	1,223,721	2,471,244
State sources					
Equalization	12,051,018	-	-	-	12,051,018
Transportation	204,421	-	-	-	204,421
Other State	2,150,809	-	97,868	5,254	2,253,931
Mineral leases	7,928	-	-	-	7,928
Local and intermediate sources	5,406,683	-	-	1,048,519	6,455,202
Interest	15,051	12,699	37,515	7,788	73,053
Total revenues	<u>38,965,680</u>	<u>9,618,990</u>	<u>135,383</u>	<u>3,517,954</u>	<u>52,238,007</u>
EXPENDITURES					
Current					
Instruction services	20,908,541	-	-	-	20,908,541
Supporting services					
Pupil support services	2,248,864	-	-	765,025	3,013,889
Instructional staff	2,860,040	-	-	-	2,860,040
General administration	740,920	-	-	-	740,920
School administration	2,533,131	-	-	-	2,533,131
Business services	576,098	-	-	-	576,098
Operations and maintenance	3,235,104	-	-	-	3,235,104
Transportation	1,371,136	-	-	-	1,371,136
Central support	2,380,562	-	-	-	2,380,562
Food services	-	-	-	930,888	930,888
Capital outlay	-	-	28,199,944	1,701,301	29,901,245
Debt service					
Principal	130,000	4,640,000	-	-	4,770,000
Interest	71,931	4,886,750	-	-	4,958,681
Issuance costs	-	2,493	-	-	2,493
Total expenditures	<u>37,056,327</u>	<u>9,529,243</u>	<u>28,199,944</u>	<u>3,397,214</u>	<u>78,182,728</u>
Excess of revenues over (under) expenditures	1,909,353	89,747	(28,064,561)	120,740	(25,944,721)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	800,000	800,000
Transfers out	(800,000)	-	-	-	(800,000)
Total other financing sources (uses)	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>-</u>
Net change in fund balances	1,109,353	89,747	(28,064,561)	920,740	(25,944,721)
Fund balances, beginning of year	7,945,853	7,173,578	37,095,721	3,492,526	55,707,678
Fund balances, end of year	<u>\$ 9,055,206</u>	<u>\$ 7,263,325</u>	<u>\$ 9,031,160</u>	<u>\$ 4,413,266</u>	<u>\$ 29,762,957</u>

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2022

Change in fund balances – governmental funds \$ (25,944,721)

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

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (2,496,712)	
Capital outlays	<u>28,919,593</u>	26,422,881

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 4,770,000

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year. 100,745

In the statement of activities, certain operating expenses – compensated absences and special termination benefits – are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This year, vacation time earned was less than the amounts used by \$100,745. Special termination benefits earned were less than the amounts paid by \$8,985. 32,454

In the governmental funds, expenditures for the defined benefit pension and OPEB plan are measured by the amount of financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension and OPEB liabilities and related deferred inflows and outflows (increased) decreased in the current year. 15,001,232

Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities 244,503

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 1,622,282

Change in net position of governmental activities \$ 22,249,376

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 15,930,414	\$ 16,190,534	\$ 16,066,742	\$ (123,792)
Specific ownership taxes	1,700,000	1,700,000	1,815,505	115,505
Federal sources	1,019,625	1,108,426	1,247,523	139,097
State sources				
Equalization	12,362,761	11,845,034	12,051,018	205,984
Transportation	170,037	200,045	204,421	4,376
Other State	2,008,372	2,127,762	2,150,809	23,047
County sources, mineral leases	2,826	7,928	7,928	-
Local and intermediate sources	5,340,965	5,301,491	5,406,683	105,192
Interest	15,000	15,000	15,051	51
Total revenues	<u>38,550,000</u>	<u>38,496,220</u>	<u>38,965,680</u>	<u>469,460</u>
EXPENDITURES				
Current				
Instruction services	21,274,704	21,242,631	20,908,541	334,090
Supporting services				
Pupil support services	2,585,840	2,547,731	2,248,864	298,867
Instructional staff	2,957,952	2,928,485	2,860,040	68,445
General administration	873,010	789,600	740,920	48,680
School administration	2,535,873	2,477,901	2,533,131	(55,230)
Business services	576,794	587,291	576,098	11,193
Operations and maintenance	3,246,558	3,362,049	3,235,104	126,945
Transportation	1,157,556	1,227,742	1,371,136	(143,394)
Central support	2,336,532	2,398,702	2,380,562	18,140
Debt service				
Principal	130,000	130,000	130,000	-
Interest on COPs	75,181	75,181	71,931	3,250
Contingency	7,694,092	7,874,761	-	7,874,761
Total expenditures	<u>45,444,092</u>	<u>45,642,074</u>	<u>37,056,327</u>	<u>8,585,747</u>
Excess of revenues over (under) expenditures	(6,894,092)	(7,145,854)	1,909,353	9,055,207
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net change in fund balances	(7,694,092)	(7,945,854)	1,109,353	9,055,207
Fund balance, beginning of year	7,694,092	7,945,854	7,945,854	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,055,207</u>	<u>\$ 9,055,207</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUND
 June 30, 2022

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,787,702
Accounts receivable	43,729
Total assets	1,831,431
LIABILITIES	
Current Liabilities	
Accounts payable	18,352
Claims payable	434,082
Total liabilities	452,434
NET POSITION	
Unrestricted	1,378,997
Total net position	\$ 1,378,997

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
Operating revenues	
Fees	\$ 5,295,896
Total operating revenues	5,295,896
Operating expenses	
Insurance claims	4,109,592
Administration fees	944,417
Total operating expenses	5,054,009
Operating income (loss)	241,887
Nonoperating revenue (expense)	
Interest income	2,616
Change in net position	244,503
Total net position, beginning	1,134,494
Total net position, ending	\$ 1,378,997

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user charges	\$ 5,252,167
Cash payments to suppliers for goods and services	(4,809,173)
Net cash provided (used) by operating activities	442,994
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	2,616
Net cash provided (used) by investing activities	2,616
Net increase (decrease) in cash and cash equivalents	445,610
Cash and cash equivalents at beginning of year	1,342,092
Cash and cash equivalents at end of year	\$ 1,787,702
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 241,887
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Accounts receivable	(43,729)
Accounts payable	(129)
Claims payable	244,965
Net cash provided (used) by operating activities	\$ 442,994

The notes to the financial statements are an integral part of this statement.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Steamboat Springs School District RE-2 (District) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. Reporting Entity

In conformance with GASB, Steamboat Springs School District RE-2, Routt County, Steamboat Springs, Colorado, is the reporting entity for financial report purposes. The District is the primary government financially accountable for all activities of public school instruction within the geographical area organized as Steamboat Springs School District RE-2. The District meets the criteria of a primary government: its Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

The financial statements of the District include all funds that are controlled by or are fiscally dependent upon the Board of Education. Control by or dependence on the Board of Education is determined on the basis of budget adoption, taxing authority, outstanding debt which may be secured by general obligation of the District, and the responsibility of the District to finance debt or make subsidies to funds.

Discretely Presented Component Unit: On June 25, 2001, the Steamboat Springs School District Board of Education entered into a contract with the North Routt Community Charter School (Charter School), establishing the school in north Routt County. The Charter School is considered a legally separate entity and a public school subject to the provision of the Colorado Revised Statutes Title 22, Article 7, Part 6. The District is required by State Statute to pass through to the Charter School 95% of the District's per pupil operating revenue. The Charter School is presented as a governmental fund type. Complete financial statements for the Charter School may be obtained at the entity's administrative offices.

2. 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 primary government and its component unit. 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 primary government is financially accountable.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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*.

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

3. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Property taxes 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. The Education Fund Board collects sales taxes and remits to the District upon grant approval. Sales taxes collected by the Education Fund Board are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The *debt service fund* accounts for and reports the financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *building fund* accounts for and reports the financial resources that are restricted, committed, or assigned to expenditure for the use of projects approved by the Series 2018 General Obligation Bonds proceeds.

The *pupil activity fund*, is used to account for revenues and expenditures associated with class and club activities.

The District reports the following major proprietary fund:

The *insurance fund* internal service fund is used to account for revenues and expenditures associated with health insurance claims and premiums.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund is charges for health insurance premiums. Operating expenses for the proprietary fund include the cost of services, administrative expenses, and payments of health insurance claims. 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 policy to use restricted resources first, then unrestricted resources as they are needed.

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

Deposits and Investments

For the purposes of the statement of cash flows, cash and cash equivalents includes all cash and investments as held by the proprietary fund with original maturities of three months or less from the date of acquisition.

Investments in securities are stated at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes are levied by the Board of Education. The levy is based on assessed valuations determined by the County Assessor generally as of January 1st of each year. The levy is set by December 15th by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year.

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30th or, if in equal installments, at the taxpayer's election on February 28th and June 15th. Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurer remits the taxes collected monthly to the District.

Property tax revenues are recognized when they become both measurable and available to finance expenditures of the current period. Property taxes receivable are recognized or collected in advance of the period for which they are levied, they are recorded as deferred revenue and recognized as revenue in the period for which they are levied.

Inventories

Inventories are held by the Food Service Fund and are valued at cost using the first-in/first-out (FIFO) method. The District utilizes the purchase method of accounting for inventory. The Federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as non-operating revenues when received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column 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 two years. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	50
Building improvements	25
Vehicles	10
Office equipment	10
Computer equipment	5

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences and Retirement Liability

Each employee of the District may accumulate unlimited sick leave, payable upon termination to the employee after a minimum of seven years of service, at one-half the daily substitute base pay. The District accrues a liability in the appropriate funds for compensated absences, which meet the following criteria:

- The District's obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

Each employee who has been employed by the District for 18 or more years is eligible to participate in a retirement plan. Amounts are payable upon retirement or may be split over the last three years of employment if the employee chooses to work an additional 10 days per year.

Accrued Salaries

Salaries and benefits to teachers and certain other employees are paid over a twelve-month period from September 1, to August 30, but are earned over a school year of approximately nine months. The salaries and benefits earned, but unpaid, at June 30, 2022, are reflected in the financial statements as an accrued liability.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 debt service expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred outflows relate to the recording of the net pension and OPEB liabilities.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has items, one of which arises only under a modified accrual basis of accounting and the others which relate to the recording of net pension and OPEB liabilities that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resource in the period that the amounts become available.

Fund Equity

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Steamboat Springs School District's Comprehensive Fund Balance Policy:

Order of Fund Balance Spending Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

5. Jointly Governed Organization

Northwest Colorado Board of Cooperative Educational Services - The District is one of six school districts, which are members of the Northwest Colorado Board of Cooperative Educational Services (BOCES). The BOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" of the Colorado Revised Statutes. The BOCES provides unique education services that the member districts could not provide individually on a cost-effective basis. A board made up of representatives from each member district's board governs the BOCES. The governing board is autonomous as to budgeting and fiscal matters. The BOCES is not fiscally dependent upon the District and is considered a jointly governed organization.

6. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

Budgets are required by Colorado State Statute for all funds. During April, the Finance Director submits to the Superintendent of Schools and the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

Formal budgetary integration is employed as a management control device during the year for the Governmental and Internal Service funds. The appropriated budget is prepared by fund. The District's department heads may not make transfers of appropriations. The legal level of control is the fund level.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the Finance Director. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects, and normal operating variances.

The Board of Education may authorize supplemental appropriations during the year. Supplemental appropriations were necessary during the fiscal year ended June 30, 2020.

7. 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 and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

8. Other Post-Employment Benefit Plan (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 and additions to/deductions from the fiduciary net position 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.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures/expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk – Deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all of the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At June 30, 2022, the District's cash deposits, had a book balance of \$13,442,588, and a corresponding bank balance of \$13,842,414. The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. \$250,000 of the bank balance was covered by federal deposit insurance. The remainder of \$13,592,414 was covered under PDPA as explained above.

The carrying amount of the North Routt Community Charter School's deposits at June 30, 2022 was \$626,140 and bank balances were \$680,463. \$250,000 of the bank balances at June 30, 2022 were covered by federal deposit insurance. The remainder of \$430,463 was covered under PDPA as explained above.

Investments - Colorado statutes specify investment instruments meeting defined rating and risk criteria, in which local governments may invest, which include the following:

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

Steamboat Springs School District RE-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS – CONTINUED

State statutes do not address custodial risk.

At June 30, 2022, the District’s deposits, classified as investments, are as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Total Fair Value</u>
Cash in trust – COLOTRUST	Less than 1 year	\$ 10,825,550
Cash in trust – UMB	Less than 1 year	7,013,643
COLOTRUST	Less than 1 year	<u>4,714,562</u>
	Total	<u>\$ 21,840,562</u>

Interest Rate Risk – Colorado Revised Statute 24-75-601 limits investment maturities to five year or less, as a means of managing exposure to fair value loss resulting from increasing interest rates.

Credit Risk – State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agencies. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more nationally recognized rating agencies. As of June 30, 2020, the local government investment pool in which the District participates, COLOTRUST, was rated AAAM by Standard and Poor’s.

Concentration Risk – At June 30, 2022, the District’s investment in COLOTRUST represented 68% of the total investments and UMB represented 32%. State statutes do not limit the amount the District may invest in a single issuer.

Local government investment pools – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. COLOTRUST operates like a 2a-7 external investment pool and investments in the pool are valued at \$1 net asset value (NAV) per share. The underlying investments held by COLOTRUST are valued at fair value.

Investments held by others – The District has an endowment fund that is held by the Yampa Valley Community Foundation from funds contributed by Everything Outdoor Steamboat. It is the intent that the principal of the Fund is to be held by the Foundation as a permanent endowment. Earnings received from the principal portion of the Fund are distributable annually to the District. The endowment agreement also allows the District to request a distribution of principal from the Fund for unusual or emergency situations through Board resolution from Everything Outdoor Steamboat. The fair value of the investment at June 30, 2022 is \$200,228

The following table is a reconciliation of the primary government’s cash and investments on the statement of net position.

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS – CONTINUED

Cash	\$ 13,445,951
Investments	22,553,755
Investments held by others	<u>200,228</u>
Total	<u>\$ 36,199,934</u>

Statement of Net Position:	
Cash and investments	<u>\$ 36,199,934</u>

NOTE C - INTERFUND TRANSACTIONS

Interfund receivables and payables at June 30, 2022 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ –	\$ 153,344
Component Unit	<u>153,344</u>	<u>–</u>
	<u>\$ 153,344</u>	<u>\$ 153,344</u>

These balances resulted from the time lag between the dates that (1) transactions are recorded in the accounting system and (2) payments between funds are made to cover negative cash balances.

Interfund transfers made during the year ended June 30, 2022 were as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ –	\$ 800,000
Nonmajor	<u>800,000</u>	<u>–</u>
	<u>\$ 800,000</u>	<u>\$ 800,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2022</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,359,968	\$ -	\$ -	\$ 2,359,968
Construction in progress	<u>65,228,655</u>	<u>27,848,169</u>	<u>(6,532,491)</u>	<u>86,544,333</u>
Total	67,588,623	27,848,169	(6,532,491)	88,904,301
Capital assets, being depreciated:				
Buildings	88,865,034	6,920,906	-	95,785,940
Equipment	4,863,961	657,864	(761,645)	4,760,180
Food service equipment	<u>369,012</u>	<u>25,145</u>	<u>-</u>	<u>394,157</u>
Total	94,098,007	7,603,915	(761,645)	100,940,277
Less accumulated depreciation:				
Buildings	36,376,790	2,190,790	-	38,567,580
Equipment	3,430,163	299,284	(761,645)	2,967,802
Food service equipment	<u>338,078</u>	<u>6,638</u>	<u>-</u>	<u>344,716</u>
Total	<u>40,145,031</u>	<u>2,496,712</u>	<u>(761,645)</u>	<u>41,880,098</u>
Total capital assets being depreciated, net	<u>53,952,976</u>	<u>5,107,203</u>	<u>-</u>	<u>59,060,179</u>
Governmental activities capital assets, net	<u>\$ 121,541,599</u>	<u>\$ 32,955,372</u>	<u>\$ (6,532,491)</u>	<u>\$ 147,964,480</u>

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

Instruction	\$ 2,155,190
General administration	79,948
Transportation	219,940
Food service	16,213
Operations and maintenance	<u>25,421</u>
Total governmental activities	<u>\$ 2,496,712</u>

NOTE E - LONG-TERM OBLIGATIONS

General Obligation Facilities and Improvement Bonds. General Obligation Bonds, series 2007, denominations of \$5,000, dated January 16, 2007, total issue \$19,730,000. The bonds were issued for the purpose of rebuilding, remodeling, improving, repairing, equipping and furnishing the District's schools, and to pay the cost of issuance of the bonds. Interest, at a rate of 4.00% to 5.00% is payable at each June 1 and December 1. Principal is due beginning December 1, 2007, and each year thereafter to December 1, 2023. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The bonds are subject to redemption prior to maturity, at the option of the District at a redemption price equal

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE E - LONG-TERM OBLIGATIONS – CONTINUED

to the par amount thereof, plus accrued interest. Bonds maturing December 1, 2021 through December 1, 2023 were refunded in fiscal 2013. Bonds maturing December 1, 2018 through December 1, 2020 were refunded in fiscal 2014.

General Obligation Refunding Bonds. General Obligation Refunding Bonds, series 2013, denominations of \$5,000, dated February 27, 2013, total issue \$8,875,000. The bonds were issued to refinance a portion of the District’s general obligation debt for the purpose of reducing debt service requirements. Interest, at a rate of 2.00% to 3.00%, is payable at each June 1 and December 1. Principal is due beginning December 1, 2013, and each year thereafter to December 1, 2023. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The bonds are subject to redemption prior to maturity, at the option of the District at a redemption price equal to the par amount thereof, plus accrued interest.

Annual debt service requirements to maturity for the general government bonds are as follows:

Fiscal Year Ending			
<u>June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 118,125	\$ 2,905,000	\$ 3,023,125
2024	37,275	2,485,000	2,522,275
Total	<u>\$ 155,400</u>	<u>\$ 5,390,000</u>	<u>\$ 5,545,400</u>

General Obligation Refunding Bonds. General Obligation Refunding Bonds, series 2015, denominations of \$5,000, dated December 22, 2015, total issue \$9,110,000. The bonds were issued to refinance a portion of the District’s general obligation debt for the purpose of reducing debt service requirements. Interest, at a rate of 3.00% to 4.00%, is payable at each June 1 and December 1. Principal is due beginning December 1, 2023, and each year thereafter to December 1, 2026. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The bonds are subject to redemption prior to maturity, at the option of the District at a redemption price equal to the par amount thereof, plus accrued interest.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending			
<u>June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 361,250	\$ –	361,250
2024	356,525	315,000	671,525
2025	295,400	2,820,000	3,115,400
2026	180,400	2,930,000	3,110,400
2027	60,900	3,045,000	3,105,900
Total	<u>\$ 1,254,475</u>	<u>\$ 9,110,000</u>	<u>\$ 10,364,475</u>

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE E - LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds. General Obligation Bonds, series 2018, dated January 31, 2018, total issue \$12,900,000. The bonds were issued to finance construction projects. Interest, at a rate of 5.00%, is payable at each June 1 and December 1. Principal is due beginning December 1, 2018, and each year thereafter to December 1, 2024. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The bonds are not subject to redemption prior to maturity.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending		<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>June 30,</u>				
2023	\$	253,250	\$ 1,910,000	\$ 2,163,250
2024		155,375	2,005,000	2,160,375
2025		<u>52,625</u>	<u>2,105,000</u>	<u>2,157,625</u>
Total	\$	<u>461,250</u>	<u>6,020,000</u>	<u>\$ 6,481,250</u>

Certificates of Participation. Certificates of Participation, series 2014, denominations of \$5,000, dated January 8, 2014, total issue \$2,940,000. The certificates were issued to improve District facilities, decrease deferred maintenance on buildings, and reduce District utility costs. Interest, at a rate of 2.00% to 4.00%, is payable at each June 1 and December 1. Principal is due beginning December 1, 2014, and each year thereafter to December 1, 2033. The Certificates do not constitute a general obligation or other indebtedness of the District and the obligation will terminate if the District does not appropriate funds to make the payments in any fiscal year. Repayment of the Certificates is secured only by title to the District’s central administration building, held by the Trustee. The Certificates are subject to redemption prior to maturity, at the option of the District at a redemption price equal to the par amount thereof, plus accrued interest.

Annual debt service requirements to maturity for the general government certificates are as follows:

Fiscal Year Ending		<u>Interest</u>	<u>Principal</u>	<u>Total</u>
<u>June 30,</u>				
2023	\$	68,281	\$ 135,000	\$ 203,281
2024		64,156	140,000	204,156
2025		59,791	145,000	204,791
2026		55,184	150,000	205,184
2027		50,213	155,000	205,213
2028-32		161,831	880,000	1,041,831
2033-34		<u>15,500</u>	<u>345,000</u>	<u>360,500</u>
Total	\$	<u>474,956</u>	<u>1,950,000</u>	<u>\$ 2,424,956</u>

General Obligation Bonds. General Obligation Bonds, series 2020, dated January 21, 2020, total issue \$79,500,000. The bonds were issued to finance the costs of capital projects and improvements. Interest, at a rate of 5.00%, is payable at each June 1 and December 1. Principal is due beginning June 1, 2020, and each year thereafter to December 1, 2039. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied,

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE E - LONG-TERM OBLIGATIONS – CONTINUED

without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The bonds are not subject to redemption prior to maturity.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2023	\$ 3,975,000	\$ –	\$ 3,975,000
2024	3,975,000	–	3,975,000
2025	3,975,000	–	3,975,000
2026	3,947,875	1,085,000	5,032,875
2027	3,892,250	1,140,000	5,032,250
2028-32	16,423,625	24,105,000	40,528,625
2033-37	9,596,250	30,770,000	40,366,250
2038-40	<u>1,716,500</u>	<u>22,400,000</u>	<u>24,116,500</u>
Total	<u>\$ 47,501,500</u>	<u>\$ 79,500,000</u>	<u>\$ 127,001,500</u>

Changes in Long-Term Debt. During the period ended June 30, 2022, the following changes occurred in long-term debt:

	Balance <u>6/30/21</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/22</u>	Due within <u>one year</u>
General obligation bonds 2013	\$ 8,210,000	\$ –	\$ 2,820,000	\$ 5,390,000	\$ 2,905,000
General obligation bonds 2015	9,110,000	–	–	9,110,000	–
General obligation bonds 2018	7,840,000	–	1,820,000	6,020,000	1,910,000
General obligation bonds 2020	79,500,000	–	–	79,500,000	–
Bond premiums	23,590,689	–	1,622,282	21,968,407	1,622,282
COPs	2,080,000	–	130,000	1,950,000	135,000
Early retirement	326,505	33,485	24,500	335,490	–
Compensated absences	<u>735,985</u>	<u>–</u>	<u>41,437</u>	<u>694,548</u>	<u>–</u>
	<u>\$ 131,393,179</u>	<u>\$ 33,485</u>	<u>\$ 6,458,219</u>	<u>\$ 124,968,445</u>	<u>\$ 6,572,282</u>

Liabilities for compensated absences and early retirement are liquidated by the General Fund.

NOTE F - TAX, SPENDING, AND DEBT LIMITATION

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (*TABOR*), containing tax, spending and debt limitations on the state and local governments. *TABOR* limits increases in revenues and expenditures to the rate of inflation and local growth. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of this Amendment. *TABOR* also requires local governments to establish emergency reserves to be used only for declared emergencies. The amount restricted in the General Fund at June 30, 2022 for *TABOR* equaled \$995,917. The District restricts a portion of its fund balance in further compliance with *TABOR*. For financial reporting purposes, the District reserves the statutory 3% of the Charter School’s fund balance for the School.

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE F - TAX, SPENDING, AND DEBT LIMITATION – CONTINUED

On November 5, 1998, voters passed a referendum allowing the District to keep and spend any excess revenues from grants, fees, leases, interest, sales and use taxes, and other non-property tax revenues received during the year ended June 30, 1999, and each subsequent year thereafter.

NOTE G - CONTINGENCIES AND COMMITMENTS

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

NOTE H – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100 percent 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 Districts (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

- \$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.

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 percent of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 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 the District were \$4,226,610 for the year ended June 30, 2022.

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

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

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

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

At June 30, 2022 the District reported a liability of \$35,479,028 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated the District were as follows:

The District’s proportionate share of the net pension liability	\$ 35,479,028
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ 3,648,916
Total	\$ 39,127,943

At December 31, 2021, District’s proportion was 0.3048716322 percent, which was a decrease of 0.0112576279 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized negative pension expense of (\$15,731,796) and revenue of (\$972,265) 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,358,279	–
Changes of assumptions or other inputs	2,708,559	–
Net difference between projected and actual earnings on pension plan investments	–	13,339,055
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,104,403	989,079
Contributions subsequent to the measurement date	2,042,635	–
Total	7,213,876	14,328,134

\$2,042,635 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

Year ended June 30, 2022:	
2023	(494,396)
2024	(3,639,872)
2025	(3,403,548)
2026	(1,619,076)
2027	–
Thereafter	–

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

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.40 – 11.00 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) ¹	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06	Financed by AIR

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

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

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

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

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

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

NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

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.

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:

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

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%
Alternative ¹	6.00%	4.70%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing on July 1, 2018, that is proportioned between the State, District, Judicial, and DPS Division Trust Funds based upon

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NOTE H – DEFINED BENEFIT PENSION PLAN – CONTINUED

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 fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$52,222,227	\$35,479,028	\$21,507,453

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

NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

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

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amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual 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 Districts (DPS) Division and one or more of the other four Divisions (State, District, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Districts 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 is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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 retirees 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 retirees without Medicare Part A that are greater than premiums charged to retirees with Part A for the same plan

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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 retirees 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 subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, District, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent 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 \$207,489 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 \$1,695,636 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The District proportion of the net OPEB liability was based on District 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 proportion was 0.196639 percent, which was an increase of 0.013850 from its proportion measured as of December 31, 2020.

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NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

For the year ended June 30, 2022, the District recognized OPEB expense of (\$241,704). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	2,584	402,056
Changes of assumptions or other inputs	35,106	104,961
Net difference between projected and actual earnings on OPEB plan investments	–	91,978
Changes in proportion and differences between contributions recognized and proportionate share of contributions	148,493	2,065
Contributions subsequent to the measurement date	96,819	–
Total	283,002	601,060

\$96,819 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2022	
2023	(137,401)
2024	(131,476)
2025	(121,159)
2026	(41,013)
2027	13,278
Thereafter	2,894

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

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NOTE 1 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - 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	

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NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED

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.

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

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

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

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

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

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

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

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NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

Year	PERACare Medicare Plans	Medicare Part A Premiums
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 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, District, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

Steamboat Springs School District RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

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

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

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

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

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

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

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

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

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

Steamboat Springs School District RE-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

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

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

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

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

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund’s name changed to Alternatives, effective January 1, 2020

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

Steamboat Springs School District RE-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$1,646,942	\$1,695,636	\$ 1,752,045

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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 make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Steamboat Springs School District RE-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE I – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$1,969,304	\$1,695,636	\$1,461,877

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

NOTE J - DEFINED CONTRIBUTION PENSION PLAN

Plan Description. Employees of the District who are members of SCHDTF may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS. The contribution requirements for the District are established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District made no contributions for the years ended June 30, 2018, 2019, 2020, 2021 and 2022.

NOTE K - RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District has joined other school districts in the Colorado School District Self Insurance Pool (CSDSIP), a public entity risk pool operating as a common risk management and insurance program for member districts. The District pays an annual contribution to CSDSIP for its property and casualty insurance coverage. The agreement with CSDSIP provides that the pool will be financially self-sustaining through member contribution and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members’ claims in excess of a specified self-insured retention, which is determined each policy year. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Steamboat Springs School District RE-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE L - SELF-INSURANCE PROGRAM

The District is self-insured with respect to health insurance claims. However, an excess liability policy in the amount of \$125,000 has been purchased. The claims liability is based on the requirement of GASB Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. Claim liabilities, including incurred but not reported (IBNR) claims, are based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities also include specific, incremental claim adjustment expenses. In addition, estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Expenses and liabilities are estimated through a case-by-case review of all claims and the application of historical experience for outstanding claims.

Changes in the Fund's premiums, stop loss, and claims in fiscal year 2022 were:

Beginning <u>Balance</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Ending <u>Balance</u>
\$ 189,117	\$3,864,627	\$3,619,662	\$ 434,082

REQUIRED SUPPLEMENTARY INFORMATION

Steamboat Springs School District RE-2

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2022

<u>Measurement date:</u>	<u>Employer proportion of NPL</u>	<u>Employer proportionate share of NPL</u>	<u>Nonemployer contributing entity proportionate share of NPL associated with employer</u>	<u>Total of employer and nonemployer proportionate share of NPL</u>	<u>Covered payroll</u>	<u>Employer proportionate share of NPL as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of total pension liability</u>
December 31, 2014	0.334632%	\$ 45,353,851	\$ -	\$ 45,353,851	\$ 14,220,569	319%	63%
December 31, 2015	0.344898%	52,749,732	-	52,749,732	15,049,384	351%	59%
December 31, 2016	0.343034%	102,134,589	-	102,134,589	15,396,009	663%	43%
December 31, 2017	0.324587%	104,959,883	-	104,959,883	14,972,812	701%	44%
December 31, 2018	0.284794%	50,428,627	6,065,976	56,494,603	15,656,659	322%	57%
December 31, 2019	0.283234%	42,314,559	4,762,945	47,077,504	16,646,440	254%	65%
December 31, 2020	0.316129%	47,792,368	-	47,792,368	16,888,824	283%	67%
December 31, 2021	0.304872%	35,479,028	3,648,916	39,127,944	19,132,225	185%	75%

Steamboat Springs School District RE-2

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2022

	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of employer covered payroll
June 30, 2015	\$ 2,429,217	\$ 2,429,217	\$ -	\$ 14,446,992	16.81%
June 30, 2016	2,745,374	2,745,374	-	15,481,127	17.73%
June 30, 2017	2,783,115	2,783,115	-	15,142,431	18.38%
June 30, 2018	2,828,439	2,828,439	-	14,979,145	18.88%
June 30, 2019	3,109,304	3,109,304	-	16,253,548	19.13%
June 30, 2020	3,252,743	3,252,743	-	16,784,021	19.38%
June 30, 2021	3,479,508	3,479,508	-	17,491,616	19.89%
June 30, 2022	3,787,839	3,787,839	-	20,277,223	18.68%

Steamboat Springs School District RE-2

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

June 30, 2022

	Employer proportion of NOPEBL	Employer proportionate share of NOPEBL	Covered payroll	Employer proportionate share of NOPEBL as a percentage of covered payroll	OPEB plan's fiduciary net position as a percentage of total OPEB liability
<u>Measurement date:</u>					
December 31, 2017	0.184461%	\$ 2,397,257	\$ 14,972,812	16%	18%
December 31, 2018	0.185186%	2,519,533	15,656,659	16%	17%
December 31, 2019	0.185260%	2,082,322	16,646,440	13%	24%
December 31, 2020	0.182790%	1,736,916	16,888,824	10%	33%
December 31, 2021	0.196640%	1,695,636	19,132,225	9%	39%

Steamboat Springs School District RE-2

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

June 30, 2022

	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of employer covered payroll
June 30, 2018	\$ 152,787	\$ 152,787	\$ -	\$ 14,979,145	1.02%
June 30, 2019	165,786	165,786	-	16,253,548	1.02%
June 30, 2020	171,197	171,197	-	16,784,021	1.02%
June 30, 2021	170,766	170,766	-	16,741,834	1.02%
June 30, 2022	191,985	191,985	-	20,277,222	0.95%

SUPPLEMENTARY INFORMATION

Steamboat Springs School District RE-2
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Food Service Fund	Supplemental Capital Projects Fund	Capital Projects Fund	Student Activity Fund	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	\$ 450,059	\$ 2,993,273	\$ 329,112	\$ 456,329	\$ 4,228,773
Investments	-	-	-	200,228	200,228
Accounts receivable	-	-	-	-	-
Property tax receivable	-	52,425	-	-	52,425
Due from other governments	169,757	-	-	-	169,757
Due from other funds	-	-	-	-	-
Prepaid expense	-	-	-	-	-
Inventory	666	-	-	-	666
Total assets	<u>\$ 620,482</u>	<u>\$ 3,045,698</u>	<u>\$ 329,112</u>	<u>\$ 656,557</u>	<u>\$ 4,651,849</u>
LIABILITIES					
Accounts payable	\$ -	\$ 37,064	\$ 14,896	\$ 33,793	\$ 85,753
Accrued compensation	63,245	-	-	-	63,245
Due to other funds	-	-	-	-	-
Unearned revenues	69,127	-	-	-	69,127
Total liabilities	<u>132,372</u>	<u>37,064</u>	<u>14,896</u>	<u>33,793</u>	<u>218,125</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	-	20,458	-	-	20,458
FUND BALANCES					
Nonspendable	666	-	-	-	666
Assigned					
Other capital projects	-	2,988,176	314,216	-	3,302,392
Student activities	-	-	-	622,764	622,764
Food service	487,444	-	-	-	487,444
Total fund balances	<u>488,110</u>	<u>2,988,176</u>	<u>314,216</u>	<u>622,764</u>	<u>4,413,266</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 620,482</u>	<u>\$ 3,045,698</u>	<u>\$ 329,112</u>	<u>\$ 656,557</u>	<u>\$ 4,651,849</u>

Steamboat Springs School District RE-2
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2022

	Food Service Fund	Supplemental Capital Projects Fund	Capital Projects Fund	Student Activity Fund	Total Nonmajor Funds
REVENUES					
Federal sources	\$ 1,223,721	\$ -	\$ -	\$ -	\$ 1,223,721
State sources	5,254	-	-	-	5,254
Local and intermediate sources	29,060	1,232,672	317,436	702,023	2,281,191
Interest	-	6,424	1,364	-	7,788
Total revenues	1,258,035	1,239,096	318,800	702,023	3,517,954
EXPENDITURES					
Current					
Supporting services					
Student activities	-	-	-	765,025	765,025
Food services	930,888	-	-	-	930,888
Capital outlay	-	587,671	1,113,630	-	1,701,301
Total expenditures	930,888	587,671	1,113,630	765,025	3,397,214
Excess of revenues over (under) expenditures	327,147	651,425	(794,830)	(63,002)	120,740
OTHER FINANCING SOURCES					
Transfers in	-	-	800,000	-	800,000
Total other financing sources	-	-	800,000	-	800,000
Net change in fund balances	327,147	651,425	5,170	(63,002)	920,740
Fund balance, beginning of year	160,963	2,336,751	309,046	685,766	3,492,526
Fund balance, end of year	\$ 488,110	\$ 2,988,176	\$ 314,216	\$ 622,764	\$ 4,413,266

Steamboat Springs School District RE-2
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - FOOD SERVICE FUND
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Federal sources	\$ 836,870	\$ 1,186,870	\$ 1,223,721	\$ 36,851
State sources	5,530	5,530	5,254	(276)
Local and intermediate sources	7,600	17,600	29,060	11,460
Total revenues	<u>850,000</u>	<u>1,210,000</u>	<u>1,258,035</u>	<u>48,035</u>
EXPENDITURES				
Current				
Supporting services				
Food service	850,000	1,210,000	930,888	279,112
Contingency	151,788	160,963	-	160,963
Total expenditures	<u>1,001,788</u>	<u>1,370,963</u>	<u>930,888</u>	<u>440,075</u>
Excess of revenues over (under) expenditures	(151,788)	(160,963)	327,147	488,110
Fund balance, beginning of year	151,788	160,963	160,963	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,110</u>	<u>\$ 488,110</u>

Steamboat Springs School District RE-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUILDING FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State sources	\$ 100,000	\$ 97,868	\$ 97,868	\$ -
Local, interest	20,000	20,000	37,515	17,515
Total revenues	<u>120,000</u>	<u>117,868</u>	<u>135,383</u>	<u>17,515</u>
EXPENDITURES				
Capital outlay	38,315,000	37,213,589	28,199,944	9,013,645
Contingency	2,485,000	-	-	-
Total expenditures	<u>40,800,000</u>	<u>37,213,589</u>	<u>28,199,944</u>	<u>9,013,645</u>
Excess of revenues over (under) expenditures	(40,680,000)	(37,095,721)	(28,064,561)	9,031,160
Fund balance, beginning of year	40,680,000	37,095,721	37,095,721	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,031,160</u>	<u>\$ 9,031,160</u>

Steamboat Springs School District RE-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ -	\$ 317,436	\$ 317,436	\$ -
State sources	-	-	-	-
Earnings on investments	-	1,000	1,364	364
Total revenues	-	318,436	318,800	364
EXPENDITURES				
Capital outlay	800,000	1,118,436	1,113,630	4,806
Contingency	318,574	309,046	-	309,046
Total expenditures	1,118,574	1,427,482	1,113,630	313,852
Excess of revenues over (under) expenditures	(1,118,574)	(1,109,046)	(794,830)	314,216
OTHER FINANCING SOURCES (USES)				
Transfers in	800,000	800,000	800,000	-
Total other financing sources (uses)	800,000	800,000	800,000	-
Net change in fund balances	(318,574)	(309,046)	5,170	314,216
Fund balance, beginning of year	318,574	309,046	309,046	-
Fund balance, end of year	\$ -	\$ -	\$ 314,216	\$ 314,216

Steamboat Springs School District RE-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SUPPLEMENTAL CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,232,672	\$ (17,328)
Interest	-	2,000	6,424	4,424
Total revenues	<u>1,250,000</u>	<u>1,252,000</u>	<u>1,239,096</u>	<u>(12,904)</u>
EXPENDITURES				
Capital outlay	860,000	862,000	587,671	274,329
Contingency	2,734,162	2,726,751	-	2,726,751
Total expenditures	<u>3,594,162</u>	<u>3,588,751</u>	<u>587,671</u>	<u>3,001,080</u>
Excess of revenues over (under) expenditures	(2,344,162)	(2,336,751)	651,425	2,988,176
Fund balance, beginning of year	<u>2,344,162</u>	<u>2,336,751</u>	<u>2,336,751</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,988,176</u>	<u>\$ 2,988,176</u>

Steamboat Springs School District RE-2
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 9,526,750	\$ 9,526,750	\$ 9,606,291	\$ 79,541
Interest	5,000	5,000	12,699	7,699
Total revenues	<u>9,531,750</u>	<u>9,531,750</u>	<u>9,618,990</u>	<u>87,240</u>
EXPENDITURES				
Debt service				
Principal	4,640,000	4,640,000	4,640,000	-
Interest	4,886,750	4,886,750	4,886,750	-
Other	-	-	2,493	(2,493)
Contingency	7,230,416	7,178,578	-	7,178,578
Total expenditures	<u>16,757,166</u>	<u>16,705,328</u>	<u>9,529,243</u>	<u>7,176,085</u>
Net change in fund balances	(7,225,416)	(7,173,578)	89,747	7,263,325
Fund balance, beginning of year	7,225,416	7,173,578	7,173,578	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,263,325</u>	<u>\$ 7,263,325</u>

Steamboat Springs School District RE-2
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - STUDENT ACTIVITY FUND
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 1,500,000	\$ 1,500,000	\$ 702,023	\$ (797,977)
Total revenues	1,500,000	1,500,000	702,023	(797,977)
EXPENDITURES				
Student support services	1,500,000	1,500,000	765,025	734,975
Contingency	576,330	685,766	-	685,766
Total expenditures	2,076,330	2,185,766	765,025	1,420,741
Excess of revenues over (under) expenditures	(576,330)	(685,766)	(63,002)	622,764
Fund balance, beginning of year as restated	576,330	685,766	685,766	-
Fund balance, end of year	\$ -	\$ -	\$ 622,764	\$ 622,764

Steamboat Springs School District RE-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - INSURANCE INTERNAL SERVICE FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fees	\$ 5,235,000	\$ 5,233,000	\$ 5,006,058	\$ (226,942)
Stop loss revenue	300,000	300,000	289,838	(10,162)
Interest income	-	2,000	2,616	616
Total operating revenues	<u>5,535,000</u>	<u>5,535,000</u>	<u>5,298,512</u>	<u>(236,488)</u>
EXPENDITURES				
Insurance Claims	4,485,000	4,485,000	4,109,592	375,408
Administration fees	1,050,000	1,050,000	944,417	105,583
Contingency	1,134,494	1,134,494	-	1,134,494
Total operating expenditures	<u>6,669,494</u>	<u>6,669,494</u>	<u>5,054,009</u>	<u>1,615,485</u>
Excess of revenues over (under) expenditures	(1,134,494)	(1,134,494)	244,503	1,378,997
Budgetary net position, beginning of year	<u>1,134,494</u>	<u>1,134,494</u>	<u>1,134,494</u>	<u>-</u>
Budgetary net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,378,997</u>	<u>\$ 1,378,997</u>



Colorado Department of Education
Auditors Integrity Report
 District: 2770 - Steamboat Springs RE-2
 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	7,945,854	38,165,679	37,056,328	9,055,205
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	7,945,854	38,165,679	37,056,328	9,055,205
11 Charter School Fund	516,648	2,148,372	2,048,183	616,837
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	160,963	1,258,036	930,888	488,110
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	685,766	702,023	765,025	622,764
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	7,173,578	9,618,989	9,529,243	7,263,325
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	37,095,721	135,383	28,199,944	9,031,160
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	309,046	1,118,800	1,113,630	314,216
46 Supplemental Cap Const, Tech, Main Fund	2,336,752	1,239,095	587,671	2,988,176
Totals	56,224,328	54,386,377	80,230,911	30,379,793
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	1,134,494	412,282	167,779	1,378,997
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	1,134,494	412,282	167,779	1,378,997
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

SINGLE AUDIT



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*

To the Board of Education
Steamboat Springs School District RE-2
Steamboat Springs, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Steamboat Springs School District RE-2 (the district), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise district's basic financial statements, and have issued our report thereon dated January 9, 2023.

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*.



Board of Education
Steamboat Springs School District RE-2

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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
January 9, 2023



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

Board of Education
Steamboat Springs School District RE-2
Steamboat Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Steamboat Springs School District RE-2'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 the 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, Steamboat Springs School District RE-2 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 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 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



Board of Education
Steamboat Springs School District RE-2

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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.

January 9, 2023

Steamboat Springs School District RE-2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
ESSER I - COVID-19	4425	84.425D	\$ 4,293
ESSER II - COVID-19	4420	84.425d	612,531
GEER II - Governor's Emergency Education Relief Fund - COVID-19	6426	84.425C	65,789
CARES ACT: Higher Education Emergency Relief Fund - COVID-19	4441	84.425P	15,000
	Total 84.425		<u>697,613</u>
Cooperative Agreement for Emergency Response	7354	93.354	29,578
Epidemiology and Laboratory Capacity for Infectious Diseases	7323	93.323	26,278
Title I, Part A	4010	84.010	208,508
Title I, Part A Homeless Set Aside	9020	84.010	50
Title I, Part A	5010	84.010	18,446
	Total 84.010		<u>227,004</u>
Title III, Part A English Language Acquisition	4365	84.365	17,540
Title III, Part A, Set Aside English Language Acquisition	7365	84.365	23,952
	Total 84.365		<u>41,492</u>
Title II Improving Teacher Quality	4367	84.367	50,128
Title IV: Student Support and Academic Enrichment	4424	84.424A	13,698
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1,085,791</u>
U.S. Department of Agriculture			
Passed through State Department of Education			
Seamless Summer Option - Breakfast - COVID-19	5553	10.553	217,152
Seamless Summer Option - Lunch - COVID-19	5555	10.555	936,862
Supply Chain Assistance - COVID-19	6555	10.555	15,226
SNAP: B-EBT Mini Grants	4649	10.649	614
Passed through State Department of Human Services			
Food Commodities	4555	10.555	54,482
Passed through Routt County			
Schools and Roads-Grants to States	7665	10.665	89,876
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,314,212</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 2,400,003</u>

Steamboat Spring School District RE-2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

NOTE A – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of the Steamboat Springs School District RE-2 (the District). The District’s reporting entity is defined in Note A to the District’s basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Indirect costs

The District did not elect to use the 10% de minimis indirect cost rate.

Pass-through entities

The District did not pass-through any federal funds to other entities for the year ended June 30, 2022.

Commodities

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$54,482 are valued based on the USDA’s Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

10.555 Commodities	\$ 54,482
10.555 Supply Chain Assistance	15,226
10.555 National School Lunch Program	<u>936,862</u>
Total 10.555	<u>\$1,006,570</u>

Total expenditures for the Child Nutrition Cluster are as follows:

10.553 School Breakfast Program	\$ 217,152
10.555 National School Lunch Program	<u>1,006,570</u>
Total	<u>\$1,223,722</u>

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting.

Steamboat Springs School District RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unmodified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	<u>✓</u>	none reported
Noncompliance material to financial statements noted?	_____	yes	<u>✓</u>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	<u>✓</u>	none reported

Type of auditor's report issued on compliance
for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	_____	yes	<u>✓</u>	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster (COVID-19)

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____	yes	<u>✓</u>	no
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Steamboat Springs School District RE-2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING
STANDARDS

Our audit did not disclose any matters required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

Our audit did not disclose any matters required to be reported in accordance with 2CFR 200.516(a).

Steamboat Springs School District RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

There were no prior year audit findings.