



**ASPEN SCHOOL DISTRICT RE1  
PITKIN COUNTY, COLORADO  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

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## **INTRODUCTORY SECTION**

# Aspen School District

Members of the Board of Education

Citizens of the Aspen School District No. 1 (RE):

The Annual Comprehensive Financial Report (ACFR) of the Aspen School District No. 1 (RE) (the “District”) for the fiscal year ended June 30, 2023, is hereby submitted as required by state statutes. The statutes require the District to issue an annual report on its financial position and activity, and that this report is audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. Included in the report are 2 distinct component units that provide material financial grants to the District – Aspen Education Foundation and Aspen Public Education Fund. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included in this comprehensive report. This letter of transmittal is designed to complement the “Management’s Discussion and Analysis’ (MD&A). The MD&A can be found in the Financial Section immediately following the independent auditors’ report.

## **The School District**

The Aspen School District No. 1 (RE) boundary encompasses approximately 144 square miles of Pitkin County. The county is approximately 80% publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. It is located in the central mountains of Colorado at an elevation of 7,908 feet. The District's current population is estimated at 17,767, most of whom are located in the City of Aspen, Colorado. Recreation and tourism, real estate and construction dominate the local economic activity of the County.

A board of five members, elected to staggered four-year terms, governs the District. The District provides a full range of educational services, as authorized by Colorado State Statutes, appropriate to grade levels pre-kindergarten through twelfth grade, as well as special programs in vocational education, gifted and talented, International Baccalaureate, special education, information technology, and experiential education. This report includes all of the funds and account groups necessary to support the above services.

In conformance with generally accepted accounting principles (GAAP), this report includes all funds and account groups in which the District has financial accountability, and two distinct component units. Under these guidelines, the Public Employees' Retirement Association of Colorado has not been included. The District entered into a Charter School contract, as authorized by state law, with the Aspen Community School beginning with the 2001-02 school year. This agreement was renewed for a period of five years beginning July 1, 2020. The Aspen Community School provides an alternative educational

environment within our district for K-8th grade students. The charter school operates as a separate entity with its own administration and accounting system. The Aspen School District collects per pupil revenues on behalf of the charter school, as provided for in the Colorado School Finance Act, and passes those revenues on to them. The District has included the charter school financial information within this report.

## **Local Economic Conditions and Outlook**

State school district funding in Colorado is dependent primarily upon a state per pupil funding formula. This means that the local economic conditions have minimal impact on overall school district financing. The formula establishes a base per pupil funding amount, and is adjusted for other factors such as the school district size factor and cost of living differentials to determine total per pupil funding. The School District also receives various federal and state grants to fund specific programs. Beginning with the 23-24 school year, the District will be funded solely on local taxes and overrides.

Historically, silver mining and agriculture formed the basis of the local economy. Today, the summer and winter tourist industries of Aspen and Snowmass Village, second homeowners, construction and real estate are the primary economic factors. The county's tourism industry is among the largest and least seasonal of any Colorado county with substantial ski resort facilities.

The assessed valuation for our District, as certified each December 15th, held steady and are now at \$3,464,936,300 for the 22-23 year. Valuations for the 23-24 are expected to substantially increase. Property tax collections have remained strong in large part because in the Aspen School District assessed values are only approximately one-tenth of the actual value. Total tax collections to levy have averaged 99% over the last five years.

Student enrollment has decreased 2% during the past three years from 1,584 to 1,552 students. Enrollment is expected to decrease again for the 23-24 year.

## **Major Initiatives and Accomplishments**

### **Financial**

The Aspen School District focuses its work through the ends policies adopted by the Board of Education and from the school-level accountability committees that help guide decision making and resource allocations. The following were key accomplishments of the District.

- For the 2022-23 school year, the District was able to utilize the funding from the Aspen Public Education Fund sales tax revenues and the Snowmass Village Public Education Fund property tax to cover costs for programs, special education, technology, professional development, and recruitment, training and retention. The district continues to evaluate staffing needs through its hiring process to reflect class size and educational needs. Stricter financial controls will be examined for the 23-24 year.

## **Educational**

The following educational accomplishments were met during the 2022-23 fiscal year:

- The District made strides towards full International Baccalaureate (IB) authorization by securing authorization for Middle Years Programme (MYP).
- All three schools were in the top 25% in Colorado.
- Aspen High School graduation rate for 2022-23 was approximately 96%.

## **Planning for the Future**

## **Financial**

The following objectives are priorities during fiscal year 2023-24:

- The Business Office will develop a robust set of systems and processes to align with the current District Strategic Plan
- Budget meetings and monitoring with internal stakeholders will take place
- Quarterly financial updates will be presented to the Board of Education
- Every effort will be made to develop a (small) surplus budget
- The District will continue to develop a housing strategy to attract and retain employees

## **Educational**

Educational projects to be undertaken during fiscal year 2023-24 include:

- The district Math curriculum continues to be a focus – with math instructors at all K-12 levels introduced to the Major Work of the Grade as defined by the Common Core, creating a vision and strategies for how their grade contributes to the K-12 program in a unified math curriculum K-12 (Imagine Learning).

The District Language Arts Curriculum is now fully aligned with Pre-k thru 12.

World Languages, Science and Social Studies are completing a full year's review and renewal process. We are also adding PE, the Arts and design this year.

The District hopes to complete the Primary Years Programme Certification by International Baccalaureate (IB) this year, making it one of a handful of Pre-k thru 12 IB Districts in Colorado or the US.

- The District continues to implement its adopted Strategic Plan focusing on the Profile of a Graduate as a capstone distinction. Additional goals include Stewards of Resources with a budget aligned to District Education Goals.

- Reforming and improving our Outdoor Education offerings across the District moving them from an isolated experience to an integrated learning environment with teacher leadership driving the process. The ODE program is fully adopting the IB framework and now is part of our formal units of study at all levels.
- Standard Response Protocol (SRP) training: Working closely with Law Enforcement to ensure a safe and secure environment. The District has trained all staff, most students and many parents in SRP's as well as cross walked that protocol with a number of technology platforms to ensure a safe as possible campus experience.

Additionally, the District has implemented a Cardiac Emergency Response Team Protocol, pioneering this work in Western Colorado as well as implementing District policy achieving near 100% staff trained in CPR.

- Over 100 staff (104 of 175 total) are being trained in IB course offerings and development this year alone. The District has three dedicated IB Coordinators in the teaching ranks.

The District also pays for students to take the IB exams, ensuring that roadblocks to success are eliminated for all students as part of the "IB for all" initiative.

### **Budgetary and Accounting Controls**

The Board maintains a system of budgetary and accounting controls designed to assist management in meeting its responsibility for reporting financial information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. The District believes that the existing systems of budgetary and accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely manner. The District utilizes a budget that is prepared according to the guidelines and requirements set forth in State law and the Colorado Department of Education Financial Policies and Procedures Manual.

The District specifically maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget. The budget is prepared in accordance with GAAP, approved by the Board of Education, and includes the activities of the General Fund, Colorado Preschool Program, Capital Reserve, Debt Service, Capital Projects and Special Revenue Funds. The Housing Fund is budgeted on a modified accrual basis but follows full accrual processes for GAAP. The level of budgetary control for management purposes (that is the level at which expenditures cannot exceed the appropriated amount by Board policy) is established by function and activity within a fund. All expenditures must be authorized and approved by an administrator.

### **Cash Management**

The District attempts to maximize investment earnings on cash temporarily not required for operations. This is accomplished by maintaining all District funds in interest bearing accounts, purchasing U.S. Treasury funds and U.S. Treasury bills where appropriate.

## **Risk Management**

The District participates in the Colorado School District's Self Insurance Pool with many other Colorado districts. The pool insures property and liability exposures through contributions made by member districts. The School District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses, through the General Fund. The District is self-insured for unemployment compensation and has a \$10,000 deductible for property insurance. Participation in the pool has allowed us to experience more stable coverage and premiums than we could obtain in the open market. The District does not maintain an equity interest in the Self Insurance Pool.

## **Independent Audit**

As required by Colorado State Law, an annual audit of the financial records of the Aspen School District has been made by independent certified public accountants. The report of our independent certified public accountants, CliftonLarsonAllen, LLC., appears at the beginning of the financial section of this report. Their audit of the basic financial statements was performed in accordance with the auditing standards generally accepted by the United States of America, and Government Auditing Standards, issued by the comptroller General of the United States, which includes a review of the Board's system of budgetary and accounting controls.

## **Acknowledgments**

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of all members of the Finance Department. We also would like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

Respectfully submitted,

Mary Rodino

Assistant Superintendent of  
Business and Operations

Dr. David Baugh

Superintendent of Schools

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Aspen School District RE1  
Aspen, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Aspen School District RE1 (the District), as of and for the year ended June 30, 2023, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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.

We did not audit the financial statements of the Aspen Community School (the School), which is shown as a discretely presented component unit. The School represents 63 percent, 57 percent, and 37 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Aspen Education Foundation (the Foundation), which is shown as a discretely presented component unit. The Foundation represents 27 percent, 30 percent, and 24 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School and the Foundation are based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the School and the Foundation were not audited in accordance with *Government Auditing Standards*.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance for subscription-based information technology arrangements. The guidance requires these subscription arrangements to be recognized as an asset and corresponding subscription liability. Due to the implementation of the new accounting guidance, the Governmental Activities' net position, as of June 30, 2022, was restated to reflect the amount subscription assets exceeded subscription liabilities. Our opinions are not modified with respect to these matters.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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***

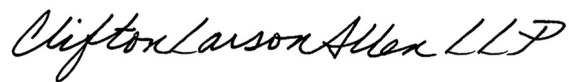
Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the budgetary comparison schedules and the GASB required pension and other postemployment benefits schedules be presented to supplement the basic financial statements. Such information 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 GAAS, 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of 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 GAAS. In our opinion, the information is 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 December 7, 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 the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
December 7, 2023

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

As management of the Aspen School District RE-1 (the "District"), we offer readers of the District's Annual Comprehensive Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers a broad overview of the District's financial activities in a manner similar to a private sector business. The statement of net position presents information on all of the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating. The statement of activities presents information on how the district's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). The government-wide financial statements include not only the district itself (known as the primary government), but also information about the district's charter school, the Aspen Education Foundation, and the Aspen Public Education Fund (known as component units). Financial information for the component units are presented separately from the primary government because the component units are legally separate from the District but are financially accountable to the District and provide services to the district's students. The government-wide financial statements can be found on pages 15-17 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District have been divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported in the government-wide financial statements. However, unlike the government-wide statements, 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 a government's near-term financing requirements.

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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

The District reports four governmental funds that are considered major funds: the General Fund, the Debt Service Fund, the Capital Funds and the Aspen Educational Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled non-major governmental funds. Nonmajor funds include the Student Activity Fund and the Aspen Family Connections Fund. Individual fund information for the nonmajor funds is presented as combining and individual fund statements and schedules after the notes section of this report. The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary Funds:** The District's Housing Fund is used to provide affordable housing to the District's employees. The District purchases housing and subsequently rents it out to employees on an annual basis. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

**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 government-wide and fund financial statements. The notes can be found on pages 27-68 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information that includes budgetary comparison schedules for the General Fund and the Aspen Educational Fund, certain supporting pension and other post-employment benefit schedules, and accompanying notes. Required supplementary information can be found on pages 69-74 of this report.

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Government-wide Financial Analysis**

**Aspen School District RE-1  
Governmental Activities  
Comparative Summary Statement of Net Position**

	June 30,	
	2023	2022
<b>ASSETS</b>		
Current Assets	\$ 55,880,016	\$ 106,583,139
Capital Assets	95,469,718	80,005,136
Total Assets	151,349,734	186,588,275
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pension	10,502,841	8,585,091
Related to OPEB	273,101	142,009
Total Deferred Outflows of Resources	10,775,942	8,727,100
<b>LIABILITIES</b>		
Current Liabilities	4,948,826	6,656,922
Noncurrent Liabilities	123,031,067	128,222,351
Net Pension Liability	44,903,090	32,704,124
Net OPEB Liability	1,529,466	1,582,226
Total Liabilities	174,412,449	169,165,623
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to Pension	6,202,350	16,964,937
Related to OPEB	563,592	597,853
Total Deferred Inflows of Resources	6,765,942	17,562,790
<b>NET POSITION</b>		
Net Investment in Capital Assets	13,100,803	39,529,522
Restricted	9,001,589	8,360,982
Unrestricted	(41,155,107)	(39,303,542)
Total Net Position	\$ (19,052,715)	\$ 8,586,962

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Aspen School District RE-1  
Governmental Activities  
Comparative Summary of Changes in Net Position**

	Year Ended June 30,	
	2023	2022
<b>PROGRAM REVENUES</b>		
Charges for Services	\$ 2,106,026	\$ 1,904,148
Operating Grants	9,294,218	5,102,148
Capital Grants	48,417	40,193
<b>GENERAL REVENUES</b>		
Property Taxes	30,409,692	30,732,641
Specific Ownership Taxes	1,101,352	1,064,761
State Equalization	4,211,023	3,366,999
Grants and Contributions Not Restricted to Specific Programs	880,889	646,514
Interest Earnings	2,429,122	245,878
Other	2,120,391	1,074,165
Transfers	(31,710,409)	(9,074,762)
Total Revenues	20,890,721	35,102,685
<b>EXPENSES</b>		
Direct Instruction	25,137,021	13,987,607
Indirect Instruction	4,283,212	2,437,741
Transportation	1,559,830	916,235
Custodial and Maintenance	4,762,749	2,570,632
Support Services	3,635,776	2,262,618
General Administration	3,359,920	1,605,736
Food Service	1,057,110	694,155
Student Activities	2,133,774	1,033,594
Interest Expense	2,635,889	3,154,026
Total Expenses	48,565,281	28,662,345
<b>CHANGE IN NET POSITION</b>	(27,674,560)	6,440,340
Net Position - Beginning of Year, as Restated	8,621,845	2,146,622
<b>NET POSITION - END OF YEAR</b>	\$ (19,052,715)	\$ 8,586,962

While the district has experienced several years of declining fund balance, financial controls have been put into place to preserve fund balance moving forward. In past years, decisions were made to increase expenditures for things like salary increases, hiring initiatives to protect class size, and new curriculum introduction. Going forward, the district will present and adhere to balanced budgets. Actual expenses will be monitored using monthly financial reports to internal stakeholders and quarterly financial reports to the Board of Education. The District adopted GASB 96, *Subscription-Based Information Technology Arrangements* during the fiscal year ended June 30, 2023. The guidance requires these subscription arrangements to be recognized as an asset and corresponding subscription liability. Due to the implementation of the new accounting guidance, the Governmental Activities' net position, as of June 30, 2022, was restated to reflect the amount subscription assets exceeded subscription liabilities. See Notes 1 and 5 to the financial statements for further information.

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Aspen School District RE-1  
Business-Type Activities  
Comparative Summary Statement of Net Position**

	June 30,	
	2023	2022
<b>ASSETS</b>		
Current Assets	\$ 228,604	\$ 244,044
Capital Assets	50,426,266	20,666,217
Total Assets	50,654,870	20,910,261
<b>LIABILITIES</b>		
Current Liabilities	132,311	180,457
Total Liabilities	132,311	180,457
<b>NET POSITION</b>		
Net Investment in Capital Assets	50,426,266	20,666,217
Unrestricted	96,293	63,587
Total Net Position	\$ 50,522,559	\$ 20,729,804

**Aspen School District RE-1  
Business-Type Activities  
Comparative Summary of Changes in Net Position**

	Year Ended June 30,	
	2023	2022
<b>OPERATING REVENUES</b>	\$ 1,099,432	\$ 861,164
<b>OPERATING EXPENSES</b>	3,017,086	1,877,159
<b>INCOME (LOSS) FROM OPERATIONS</b>	\$ (1,917,654)	\$ (1,015,995)
CAPITAL CONTRIBUTIONS	31,710,409	9,074,762
<b>CHANGE IN NET POSITION</b>	29,792,755	8,058,767
NET POSITION, BEGINNING	20,729,804	12,671,037
<b>NET POSITION, ENDING</b>	\$ 50,522,559	\$ 20,729,804

Business-Type Activities increased during the fiscal year ending June 30, 2023 due to an increase in capital contributions of \$22,635,647 for the purchase of employee housing. The employee housing is purchased within Governmental Activities and transferred over to Business-Type Activities. The employee housing purchases were funded by the Series 2021 GO Bonds issuance from 2021.

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Total Government-Wide net position increased \$2,118,195 to \$31,469,844 during the fiscal year ending June 30, 2023.

**Capital Assets**

Governmental Activities capital assets, net increased \$15,429,699 to \$95,469,718 during the fiscal year ending June 30, 2023. Business-Type Activities capital assets, net increased by \$29,760,049 to \$50,426,266 during the fiscal year ending June 30, 2023. See pages 42-43 for additional information.

**Long-Term Debt**

Governmental Activities long-term debt decreased \$5,191,284 to \$123,031,067 during the fiscal year ending June 30, 2023. All debt, financed purchases, and SBITA liabilities were paid timely during the fiscal year ending June 30, 2023. See pages 44-46 for additional information.

**Major Funds**

The District's General Fund decreased fund balance by \$716,404 to \$2,054,248. The Debt Service Fund increased fund balance by \$461,825 to \$8,178,493. The Capital Funds decreased fund balance by \$47,241,422 to \$40,145,487. The Aspen Educational Fund decreased fund balance by \$519,907 to \$309,604.

**General Fund Budgetary Highlights**

The District's budgeted general fund revenue for 2022-23 was \$30,613,563, while actual revenue was \$33,878,112, resulting in a surplus of \$3,264,549 (not including other financing sources). The District's 2022-23 budget for general fund expenditures was \$34,765,485, while actual expenditures were \$34,139,758, resulting in a surplus of \$625,727 (not including other financing uses). There was a net decrease in fund balance of \$716,404 with a final fund balance of \$2,054,248.

**Economic Factors and Next Year's Budget**

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The state economic picture is important to the district because a major source of funding for the district's General Fund is determined through the state's School Finance Act (SFA), established by the state legislature. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to schools.

The funded pupil count is an important component of school funding. The SFA identifies a per pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time equivalent students enrolled in a district. Not all students attend school on a full-time basis; the funded pupil count is different from the total enrollment, or pupil membership. The official pupil count occurs each October 1 and results in the funded pupil count.

The budget implications are substantial if projected enrollment is not realized. If an unexpected shortfall in actual enrollment occurs, this information is generally received after the close of the first quarter of the fiscal year and many staffing and program changes cannot be made without significant impacts to students. For this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall.

**ASPEN SCHOOL DISTRICT RE1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Requests for Information**

The financial report is designed to provide a general overview of District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mary Rodino, Assistant Superintendent of Business and Operations  
Aspen School District RE-1  
0235 High School Road  
Aspen, CO 81611  
[mrodino@aspenk12.net](mailto:mrodino@aspenk12.net)

## **BASIC FINANCIAL STATEMENTS**

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Investments	\$ 44,140,353	\$ 3,551	\$ 44,143,904	\$ 6,949,712
Restricted Cash and Investments	7,797,403	-	7,797,403	2,210,606
Receivable:				
Accounts Receivable	348,146	-	348,146	3,342
Taxes Receivable	2,136,267	-	2,136,267	568,335
Intergovernmental	1,269,665	-	1,269,665	-
Internal Balances	(225,053)	225,053	-	-
Prepaid Items	413,235	-	413,235	-
Capital Assets, Not Being Depreciated	31,692,155	1,024,236	32,716,391	-
Capital Assets, Net of Accumulated Depreciation and Amortization	63,777,563	49,402,030	113,179,593	8,052,875
Total Assets	<u>151,349,734</u>	<u>50,654,870</u>	<u>202,004,604</u>	<u>17,784,870</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Outflows	10,502,841	-	10,502,841	639,044
Deferred OPEB Outflows	273,101	-	273,101	30,210
Total Deferred Outflows of Resources	<u>10,775,942</u>	<u>-</u>	<u>10,775,942</u>	<u>669,254</u>
<b>LIABILITIES</b>				
Accounts Payable	2,650,129	132,311	2,782,440	968,022
Accrued Salaries and Benefits	1,905,703	-	1,905,703	244,384
Accrued Interest Payable	342,038	-	342,038	-
Unearned Revenue	50,956	-	50,956	-
Long-Term Liabilities:				
Due within One Year	4,406,372	-	4,406,372	-
Due in More than One Year	118,624,695	-	118,624,695	-
Net Pension Liability	44,903,090	-	44,903,090	2,944,683
Net OPEB Liability	1,529,466	-	1,529,466	100,349
Total Liabilities	<u>174,412,449</u>	<u>132,311</u>	<u>174,544,760</u>	<u>4,257,438</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Inflows	6,202,350	-	6,202,350	290,645
Deferred OPEB Inflows	563,592	-	563,592	48,005
Total Deferred Inflows of Resources	<u>6,765,942</u>	<u>-</u>	<u>6,765,942</u>	<u>338,650</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	13,100,803	50,426,266	63,527,069	8,052,875
Restricted for:				
Debt Service	7,988,561	-	7,988,561	-
TABOR	1,013,028	-	1,013,028	-
Charter School	-	-	-	93,000
Donor Restrictions	-	-	-	2,210,606
Unrestricted	(41,155,107)	96,293	(41,058,814)	3,501,555
Total Net Position	<u>\$ (19,052,715)</u>	<u>\$ 50,522,559</u>	<u>\$ 31,469,844</u>	<u>\$ 13,858,036</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Business Type Activities	Component Units
				Capital Grants and Contributions	Governmental Activities		
<b>Primary Government</b>							
Governmental Activities							
Direct Instruction	\$ 25,137,021	\$ 333,320	\$ 8,876,013	\$ 48,417	\$ (15,879,271)	\$ -	-
Indirect Instruction	4,283,212	-	-	-	(4,283,212)	-	-
Transportation	1,559,830	-	248,205	-	(1,311,625)	-	-
Custodial and Maintenance	4,762,749	-	-	-	(4,762,749)	-	-
Support Services	3,635,776	-	170,000	-	(3,465,776)	-	-
General Administration	3,359,920	-	-	-	(3,359,920)	-	-
Food Service	1,057,110	783,045	-	-	(274,065)	-	-
Student Activities	2,133,774	989,661	-	-	(1,144,113)	-	-
Interest Expense	2,635,889	-	-	-	(2,635,889)	-	-
Total Governmental Activities	48,565,281	2,106,026	9,294,218	48,417	(37,116,620)	-	-
<b>Business-Type Activities</b>							
Employee Housing	3,017,086	1,084,235	-	-	(1,932,851)	-	-
Total Business-Type Activities	3,017,086	1,084,235	-	-	(1,932,851)	-	-
Total Primary Government	\$ 51,582,367	\$ 3,190,261	\$ 9,294,218	\$ 48,417	\$ (39,049,471)	\$ (40,982,322)	-

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS Component Units	Program Revenues			Net (Expense) Revenue and Change in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Component Units
Aspen Community School	\$ 3,225,125	\$ 207,600	\$ 312,406	\$ 30,409,692	\$ -	\$ 30,409,692	-
Aspen Education Foundation	1,659,926	1,354,582	-	1,101,352	-	1,101,352	-
Aspen Public Education Fund	4,000,459	-	-	-	-	-	3,631,431
Total Component Units	\$ 8,885,510	\$ 1,562,182	\$ 713,396	\$ 4,211,023	\$ -	\$ 4,211,023	-
				880,889	-	880,889	2,941,940
				2,429,122	-	2,429,122	227,505
				2,120,391	15,197	2,135,588	306,473
				(31,710,409)	31,710,409	-	-
				9,442,060	31,725,606	41,167,666	7,107,349
<b>GENERAL REVENUES</b>							
Property Taxes				\$ 30,409,692	\$ -	\$ 30,409,692	-
Specific Ownership Taxes				1,101,352	-	1,101,352	-
Sales Taxes				-	-	-	3,631,431
State Equalization				4,211,023	-	4,211,023	-
Per Pupil Revenue				-	-	-	2,941,940
Grants and Contributions Not Restricted to Specific Programs				880,889	-	880,889	227,505
Interest and Investment Earnings				2,429,122	-	2,429,122	306,473
Other				2,120,391	15,197	2,135,588	-
Transfers				(31,710,409)	31,710,409	-	-
Total General Revenues and Transfers				9,442,060	31,725,606	41,167,666	7,107,349
<b>CHANGE IN NET POSITION</b>				(27,674,560)	29,792,755	2,118,195	497,417
<b>NET POSITION - BEGINNING, as Restated</b>				8,621,845	20,729,804	29,351,649	13,360,619
<b>NET POSITION - ENDING</b>				\$ (19,052,715)	\$ 50,522,559	\$ 31,469,844	\$ 13,858,036

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Funds</u>	<u>Aspen Educational Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and Investments	\$ 2,716,152	\$ -	\$ 41,424,201	\$ -	\$ -	\$ 44,140,353
Restricted Cash	-	7,797,403	-	-	-	7,797,403
Accounts Receivable	348,146	-	-	-	-	348,146
Taxes Receivable	1,573,908	562,359	-	-	-	2,136,267
Due from Other Governments	745,410	-	-	500,000	24,255	1,269,665
Due from Other Funds	233,692	-	1,819,584	82,664	554,220	2,690,160
Prepaid Items	299,105	-	-	-	114,130	413,235
Total Assets	<u>\$ 5,916,413</u>	<u>\$ 8,359,762</u>	<u>\$ 43,243,785</u>	<u>\$ 582,664</u>	<u>\$ 692,605</u>	<u>\$ 58,795,229</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 295,503	\$ -	\$ 2,261,118	\$ 41,200	\$ 52,308	\$ 2,650,129
Accrued Salaries and Benefits	1,665,053	-	-	231,860	8,790	1,905,703
Unearned Revenues	50,956	-	-	-	-	50,956
Due to Other Funds	1,419,666	29,163	837,180	-	629,204	2,915,213
Total Liabilities	<u>3,431,178</u>	<u>29,163</u>	<u>3,098,298</u>	<u>273,060</u>	<u>690,302</u>	<u>7,522,001</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenues	430,987	152,106	-	-	-	583,093
Total Deferred Inflows of Resources	<u>430,987</u>	<u>152,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,093</u>
<b>FUND BALANCES</b>						
Nonspendable	299,105	-	-	-	114,130	413,235
Restricted	1,013,028	8,178,493	40,145,487	-	-	49,337,008
Committed	370,758	-	-	-	-	370,758
Assigned	393,633	-	-	309,604	421,496	1,124,733
Unassigned	(22,276)	-	-	-	(533,323)	(555,599)
Total Fund Balances	<u>2,054,248</u>	<u>8,178,493</u>	<u>40,145,487</u>	<u>309,604</u>	<u>2,303</u>	<u>50,690,135</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,916,413</u>	<u>\$ 8,359,762</u>	<u>\$ 43,243,785</u>	<u>\$ 582,664</u>	<u>\$ 692,605</u>	<u>\$ 58,795,229</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Total Governmental Fund Balance	\$ 50,690,135
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Details of these items are as follows:	
Capital Assets, At Cost	160,705,441
Accumulated Depreciation and Amortization	(65,235,723)
Property taxes and other revenues - Revenues that do not provided current financial resources are unavailable on the governmental fund financial statements but recognized on the government-wide financial statements.	
	583,093
Long-term liabilities, including bonds payable, certification of participation, compensated absences, other postemployment benefits, and accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds Payable	(103,510,000)
Premium on Bond Issuance	(17,175,452)
Financed Purchase	(1,613,686)
SBITA Liability	(215,264)
Compensated Absences	(516,665)
Accrued Interest Payable	(342,038)
Net Pension Liability	(44,903,090)
Net OPEB Liability	(1,529,466)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	10,502,841
Related to OPEB	273,101
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Related to Pension	(6,202,350)
Related to OPEB	(563,592)
Net Position of Governmental Activities	<u>\$ (19,052,715)</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Debt Service Fund	Capital Funds	Aspen Educational Fund	Nonmajor Governmental Funds	Total
<b>REVENUES</b>						
Taxes:						
Property Taxes	\$ 22,527,927	\$ 8,496,950	\$ -	\$ -	\$ -	\$ 31,024,877
Specific Ownership Taxes	1,101,352	-	-	-	-	1,101,352
State Sources	6,538,516	-	-	-	-	6,538,516
Federal Sources	1,454,103	-	-	-	-	1,454,103
Investment Income	225,171	-	2,203,951	-	-	2,429,122
Other	2,031,043	-	964,731	5,471,674	1,777,987	10,245,435
Total Revenues	<u>33,878,112</u>	<u>8,496,950</u>	<u>3,168,682</u>	<u>5,471,674</u>	<u>1,777,987</u>	<u>52,793,405</u>
<b>EXPENDITURES</b>						
Current:						
Direct Instruction	19,393,559	-	-	3,531,136	150	22,924,845
Indirect Instruction	1,846,143	-	-	1,463,962	645,399	3,955,504
Transportation	1,565,995	-	-	-	-	1,565,995
Custodial and Maintenance	4,664,836	-	4,099	146	-	4,669,081
Support Services	2,476,941	-	119,684	805,521	2,260	3,404,406
General Administration	2,899,189	-	-	104,816	51,825	3,055,830
Food Service	975,364	-	1,360	86,000	-	1,062,724
Student Activities	-	-	-	-	2,133,774	2,133,774
Debt Service:						
Principal	9,978	3,850,000	108,470	-	-	3,968,448
Interest and Fiscal Charges	2,774	4,185,125	64,392	-	-	4,252,291
Capital Outlay	304,979	-	50,112,099	-	-	50,417,078
Total Expenditures	<u>34,139,758</u>	<u>8,035,125</u>	<u>50,410,104</u>	<u>5,991,581</u>	<u>2,833,408</u>	<u>101,409,976</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(261,646)</u>	<u>461,825</u>	<u>(47,241,422)</u>	<u>(519,907)</u>	<u>(1,055,421)</u>	<u>(48,616,571)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	680,000	680,000
Transfers Out	(680,000)	-	-	-	-	(680,000)
SBITAs	225,242	-	-	-	-	225,242
Total Other Financing Sources (Uses)	<u>(454,758)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,000</u>	<u>225,242</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(716,404)</u>	<u>461,825</u>	<u>(47,241,422)</u>	<u>(519,907)</u>	<u>(375,421)</u>	<u>(48,391,329)</u>
Fund Balances - Beginning	<u>2,770,652</u>	<u>7,716,668</u>	<u>87,386,909</u>	<u>829,511</u>	<u>377,724</u>	<u>99,081,464</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,054,248</u>	<u>\$ 8,178,493</u>	<u>\$ 40,145,487</u>	<u>\$ 309,604</u>	<u>\$ 2,303</u>	<u>\$ 50,690,135</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

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

Net Change in Fund Balances of Governmental Funds \$ (48,391,329)

Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation and amortization expense in the current year.

Capital Outlay	18,706,669
Depreciation and Amortization Expense	(3,276,970)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Payment of Principal Includes:	
Debt Payments	3,850,000
Financed Purchase Payments	108,470
SBITA Payments	9,978

Issuance of a SBITA liability is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position: (225,242)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in government funds.  
Earned but Unavailable Revenue (615,185)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The (increase) decrease in these activities consist of the following:

Amortization of Bond Premium	1,604,915
Accrued Interest	11,487
Accrued Compensated Absences	(156,837)
Net Pension Expense	481,371
Net OPEB Expense	218,113

Change in Net Position of Governmental Activities \$ (27,674,560)

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2023**

	<u>District Housing Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 3,551
Due from Other Funds	<u>225,053</u>
Total Current Assets	<u>228,604</u>
Non-Current Assets:	
Capital Assets:	
Land	1,024,236
Buildings	58,739,670
Less Accumulated Depreciation	<u>(9,337,640)</u>
Total Non-Current Assets	<u>50,426,266</u>
Total Assets	<u>50,654,870</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts and Deposits Payable	<u>132,311</u>
Total Current Liabilities	<u>132,311</u>
Total Liabilities	<u>132,311</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	50,426,266
Unrestricted	<u>96,293</u>
Total Net Position	<u>\$ 50,522,559</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>District Housing Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 1,084,235
Other Income	15,197
Total Operating Revenues	1,099,432
<b>OPERATING EXPENSES</b>	
Employee Costs	206,276
Purchased Services	421,646
Housing Costs	204,043
Utilities Expense	234,761
Depreciation	1,950,360
Total Operating Expenses	3,017,086
<b>LOSS FROM OPERATIONS</b>	(1,917,654)
Capital Contributions	31,710,409
<b>CHANGE IN NET POSITION</b>	29,792,755
Net Position - Beginning	20,729,804
<b>NET POSITION - ENDING</b>	\$ 50,522,559

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>District Housing Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 1,084,235
Payments to Suppliers	(906,710)
Payments for Salaries and Benefits	(208,162)
Other Cash Receipts	15,197
Net Cash Used for Operating Activities	(15,440)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipts to/from Other Funds	15,440
Net Cash Provided by Noncapital Financing Activities	15,440
<b>NET INCREASE IN CASH</b>	-
Cash and Cash Equivalents - Beginning of Year	3,551
<b>Cash and Cash Equivalents - End of Year</b>	\$ 3,551
<b>Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:</b>	
Operating Loss	\$ (1,917,654)
Adjustments to Reconcile Operating Income (Loss) to net cash Provided (Used) by Operating Activities:	
Depreciation Expense	1,950,360
Changes in Assets and Liabilities Related to Operations:	
Increase in Accounts Payable	(46,260)
Increase in Accrued Salaries and Benefits	(1,886)
Total Adjustments	1,902,214
Net Cash Used for Operating Activities	\$ (15,440)
<b>Schedule of Noncash Transactions:</b>	
Contribution of Capital Assets	\$ 31,710,409
Total Noncash Investing, Capital, and Financing Activities	\$ 31,710,409

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
COMBINING STATEMENT OF NET POSITION –  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2023**

	<b>Aspen Community School</b>	<b>Aspen Education Foundation</b>	<b>Aspen Public Education Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Investments	\$ 2,812,961	\$ 2,770,350	\$ 1,366,401	\$ 6,949,712
Restricted Cash and Investments	-	2,210,606	-	2,210,606
Accounts Receivable	3,342	-	-	3,342
Taxes Receivable	-	-	568,335	568,335
Capital Assets, Net of Accumulated Depreciation	8,052,875	-	-	8,052,875
Total Assets	<u>10,869,178</u>	<u>4,980,956</u>	<u>1,934,736</u>	<u>17,784,870</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Deferred Outflows	639,044	-	-	639,044
OPEB Related Deferred Outflows	30,210	-	-	30,210
Total Deferred Outflows of Resources	<u>669,254</u>	<u>-</u>	<u>-</u>	<u>669,254</u>
<b>LIABILITIES</b>				
Accounts and Grants Payable	79,302	888,720	-	968,022
Accrued Salaries and Benefits	244,384	-	-	244,384
Long-Term Liabilities:				
Net Pension Liability	2,944,683	-	-	2,944,683
Net OPEB Liability	100,349	-	-	100,349
Total Liabilities	<u>3,368,718</u>	<u>888,720</u>	<u>-</u>	<u>4,257,438</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Deferred Inflows	290,645	-	-	290,645
OPEB Related Deferred Inflows	48,005	-	-	48,005
Total Deferred Inflows of Resources	<u>338,650</u>	<u>-</u>	<u>-</u>	<u>338,650</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,052,875	-	-	8,052,875
Restricted for:				
Charter School	93,000	-	-	93,000
Donor Restrictions	-	2,210,606	-	2,210,606
Unrestricted	(314,811)	1,881,630	1,934,736	3,501,555
Total Net Position	<u>\$ 7,831,064</u>	<u>\$ 4,092,236</u>	<u>\$ 1,934,736</u>	<u>\$ 13,858,036</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
COMBINING STATEMENT OF ACTIVITIES –  
DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED JUNE 30, 2023**

	<b>Aspen Community School</b>	<b>Aspen Education Foundation</b>	<b>Aspen Public Education Fund</b>	<b>Total</b>
<b>PROGRAM REVENUES</b>				
Charges for Services	\$ 207,600	\$ 1,354,582	\$ -	\$ 1,562,182
Operating Grants	312,406	400,990	-	713,396
Total Program Revenues	<u>520,006</u>	<u>1,755,572</u>	<u>-</u>	<u>2,275,578</u>
<b>PROGRAM EXPENSES</b>	<u>3,225,125</u>	<u>1,659,926</u>	<u>4,000,459</u>	<u>8,885,510</u>
<b>GENERAL REVENUES</b>				
Sales Taxes	-	-	3,631,431	3,631,431
Per Pupil Revenue	2,941,940	-	-	2,941,940
Grants and Contributions Not Restricted to Specific Programs	-	227,505	-	227,505
Interest and Investment Earnings	18,353	286,675	1,445	306,473
Total General Revenues	<u>2,960,293</u>	<u>514,180</u>	<u>3,632,876</u>	<u>7,107,349</u>
<b>CHANGE IN NET POSITION</b>	255,174	609,826	(367,583)	497,417
Net Position - Beginning	<u>7,575,890</u>	<u>3,482,410</u>	<u>2,302,319</u>	<u>13,360,619</u>
<b>NET POSITION - ENDING</b>	<u>\$ 7,831,064</u>	<u>\$ 4,092,236</u>	<u>\$ 1,934,736</u>	<u>\$ 13,858,036</u>

See accompanying Notes to Financial Statements.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Aspen School District RE1 (the “District”) was founded in 1959. The District provides educational services to the residents of Pitkin County, Colorado. The District is governed by a five-member Board of Education.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

**Reporting Entity**

The Aspen School District is organized under Colorado statutes for school districts. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District but exercises no control over its expense/expenditure. The membership of the Board consists of five members elected by the public. The Board has broad control responsibilities including the approval of the annual budget, establishment of a system of accounting and budgetary control, acquisition and disposition of school property, and the establishment, organization and operation of schools. The District is a primary government because it is a special-purpose government that has a separately elected governing board and is fiscally independent of other state or local governments. The accompanying financial statements present the District and its discretely presented component units, entities for which the District is considered to be financially accountable.

**Discretely Presented Component Units**

*Aspen Community School:*

The State of Colorado Legislature in 1993 enacted the “Charter School Act – Colorado Revised Statutes (CRS) Section 22-30-101.” This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as “Charter Schools.” Charter Schools are financed from a portion of the District’s School Finance Act Revenues and from revenues generated by the Charter Schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the District must approve all Charter School applications and budgets. Therefore, the Aspen Community School is included in the District’s reporting entity because of the nature and significance of their operational or financial relationships with the District. Complete financial statements can be obtained by contacting Compass for lifelong discovery, P.O. Box 336, 1199 Woody Creek Rd., Woody Creek, Colorado 81656.

*Aspen Education Foundation:*

The Aspen Education Foundation (“AEF”) is a Colorado nonprofit organization dedicated to supporting Aspen School District by raising funds from the community. AEF is included in the District’s reporting entity because of the nature and significance of their organizational or financial relationship with the District. Complete financial statements can be obtained by contacting Aspen Education Foundation, P.O. Box 2200, Aspen, CO 81620.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Discretely Presented Component Units (Continued)**

*Aspen Public Education Fund:*

The Aspen Public Education Fund (“APEF”) is a Colorado nonprofit organization dedicated to supporting Aspen School District by receiving the three-tenths of one percent (.3%) sales tax approved by the electors of the City of Aspen on November 6, 2012 and disbursing these funds to the Aspen School District for educational purposes. This sales tax was approved to be collected starting January 1, 2013 and ending on December 31, 2016. The sales tax was renewed in 2020 for 5 years, through December 2026. APEF is included in the District’s reporting entity because of the nature and significance of their organizational or financial relationship with the District.

**Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The district-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. 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.

*Fund Financial Statements*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function 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 segments 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.

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund.

The District reports the following major governmental funds:

The General Fund is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. This fund is comprised of the general educational, preschool, and local option.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

*Fund Financial Statements (Continued)*

The Aspen Educational Fund is used to account for private donations and grants from the Aspen Community.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The Capital Funds are used to account for proceeds restricted by outside parties (i.e. land dedication fees), as well as amounts committed by the School Board of the District for expenditures of capital outlay. It excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The District reports the following major proprietary fund:

The District Housing Fund accounts for all financial activities associated with the District owned employee housing units that are rented to employees on an annual basis.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 the 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 District considers revenues to be available if they are collected within 180 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 automotive ownership taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available. Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. All other revenue items are considered to be measurable and available only when cash is received by the government.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The District follows guidance of the Governmental Accounting Standards Board for preparation of financial statements, including proprietary fund financial statements.

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

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

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 Housing Fund are charges to customers for rent. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition such as interest expense 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.

**Adoption of New Accounting Standards**

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The District adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the earliest comparative period presented. See Note 5 for the restatement as a result of this implementation.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position or Equity**

*Cash and Investments*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at net asset value or amortized cost. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are allocated to each fund with a pooled cash balance.

*Interfund Balances*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (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."

Any residual balance outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

*Property Taxes*

Property taxes have traditionally been levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. Property taxes levied in 2022 but not yet collected in 2023 are identified as property taxes receivable at June 30, 2023, and are presented net of an allowance for uncollectible taxes. 2023 property taxes will be levied on or before January 10, 2024 due to the passage of SB23B-001.

*Receivables*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position or Equity (Continued)**

*Capital Assets*

Capital assets, which include property, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 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. The District does not capitalize interest on the construction of capital assets.

Property, vehicles and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	30 to 50 Years
Transportation Equipment	7 to 13 Years
Other Equipment	5 to 20 Years

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

*Pensions*

The District participates in the School Division Trust Fund ("SCHDTF"), a cost-sharing multiple-employer defined benefit pension fund 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.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position or Equity (Continued)**

*Defined Benefit Other Post Employment Benefit (“OPEB”) Plan*

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.

*Deferred Outflows and 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 District has two items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. Another item is the collective deferred outflows related to the District’s net pension and other post-employment benefit obligations (“OPEB”). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension or OPEB liability in future periods.

Deferred inflows of resources represent an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One item is unavailable revenue. Another item is the collective deferred inflows related to the District’s net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members.

See Note 4 below for discussion on pension and OPEB related deferred outflows and inflows.

*Compensated Absences*

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the district-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position or Equity (Continued)**

*Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds and SBITAs are serviced from property taxes and other revenues of the Debt Service Fund. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

*Bond Premiums, Discounts, and Deferred Amount on Refunding*

In the district-wide and proprietary fund financial statements, bond premiums and discounts, as well as the difference between the re-acquisition price on refunding debt and the net book value of the old debt, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding.

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 on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

*Fund Equity*

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements.

Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

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

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

Due from other funds – governmental fund statements	\$	2,690,160
Due to other funds – governmental fund statements		(2,915,213)
Proprietary fund statements		225,053
Eliminated governmental activities internal balances	\$	—

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

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

- a. On or about December 1, the Superintendent submits to the Board of Education a five year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31<sup>st</sup>, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Budgetary Information (Continued)**

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

Budgetary violations occur when actual expenditures and transfers out exceed final appropriated expenditures and transfers out. This occurred during the fiscal year for the Aspen Educational Fund. The District is going to review budget to actual schedules during the fiscal year to ensure that the budgetary violations do not occur going forward. See Note 5 for further information.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

The District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

As of June 30, 2023, cash and investments are reported in the financial statements as follows:

	Primary Government		Component Units
Cash and Investments	\$ 44,143,904	\$	6,949,712
Restricted Cash and Investments	7,797,403		2,210,606
	<u>\$ 51,941,307</u>	<u>\$</u>	<u>9,160,318</u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* *Unobservable inputs.*

At June 30, 2023, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
ColoTrust	\$ 3,551
<u>Investments Measured at Amortized Cost</u>	
CSAFE	\$ 48,739,809

At June 30, 2023, the Component Units had \$4,299,684 of investments measured using Level 1 inputs and \$1,068,001 of investments measured at amortized cost in CSAFE.

Investments classified in Level 1 are valued using prices quoted in active markets for those investments. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the investments' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published at fair value per share (unit) for each fund.

The District is governed by the deposit and investment limitations of state law. The deposits and investment balances at June 30, 2023, are as follows:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities Less Than One Year</u>
Deposits:			
Checking Accounts		\$ 3,197,947	
Investments:			
Investment Pools	AAA	48,743,360	\$ 48,743,360
		<u>\$ 51,941,307</u>	<u>\$ 48,743,360</u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

The investment pools represents an investment in Colotrust and CSAFE which are a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. Colotrust has no underfunded commitments, the redemption frequency is daily, and there is no redemption period. CSAFE is valued at amortized cost and not subject to fair value.

The component unit deposits and investment balances at June 30, 2023, are as follows:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities Less Than One Year</u>
Deposits:			
Checking Accounts		\$ 3,792,633	
Investments:			
Investment Pools	AAAm	1,068,001	\$ 1,068,001
Equity Securities	Various	1,917,005	1,917,005
Fixed Income Securities	Various	2,382,679	2,382,679
		<u>\$ 9,160,318</u>	<u>\$ 5,367,685</u>

Deposits do not have maturities, and therefore are not included in the above table under the maturities header.

**Interest Rate Risk.** As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

**Credit Risk.** State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investments policy that would further limit its investment choices. At June 30, 2023 only the District's investment in investment pools were subject to ratings.

**Concentration of Credit Risk.** The District places no limit on the amount the District may invest in any one issuer. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- 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
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

As of June 30, 2023, the District has restricted cash and investments in the Debt Service Fund and Governmental Activities for future debt service of \$7,797,403.

**Custodial Credit Risk.** For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the amount of securities that can be held by counterparties.

**Interfund Receivables, Payables, and Transfers**

The outstanding balances between funds result mainly from the amount of pooled cash attributable to each fund, reported in its entirety in the general fund.

The composition of interfund balances as of June 30, 2023, is as follows:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
General Fund	\$ 233,692	\$ 1,419,666
Debt Service Fund	-	29,163
Aspen Educational Fund	82,664	-
Capital Projects Fund	1,819,584	837,180
District Housing Fund	225,053	-
Non-Major Funds	554,220	629,204
	\$ 2,915,213	\$ 2,915,213

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, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service.

For the year ended June 30, 2023, the District made the following transfers:

	<b>Transfer In</b>	<b>Transfer Out</b>
General Fund	\$ -	\$ 680,000
Non-Major Funds	680,000	-
	\$ 680,000	\$ 680,000

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Capital Assets**

**Governmental Activities:** Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balances 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 6/30/2023</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,524,133	\$ -	\$ -	\$ 2,524,133
Construction in Process	14,423,201	22,059,655	(7,314,834)	29,168,022
Total Capital Assets Not Being Depreciated	<u>16,947,334</u>	<u>22,059,655</u>	<u>(7,314,834)</u>	<u>31,692,155</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	112,869,719	1,060,296	-	113,930,015
Transportation Equipment	3,645,346	1,561,576	-	5,206,922
Other Equipment	8,481,773	1,127,486	-	9,609,259
Total Capital Assets Being Depreciated	<u>124,996,838</u>	<u>3,749,358</u>	<u>-</u>	<u>128,746,196</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(51,275,495)	(2,523,237)	-	(53,798,732)
Transportation Equipment	(3,349,102)	(294,190)	-	(3,643,292)
Other Equipment	(7,314,439)	(430,718)	-	(7,745,157)
Total Accumulated Depreciation	<u>(61,939,036)</u>	<u>(3,248,145)</u>	<u>-</u>	<u>(65,187,181)</u>
Total Capital Assets, Being Depreciated, Net	<u>63,057,802</u>	<u>501,213</u>	<u>-</u>	<u>63,559,015</u>
Subscription-Based IT Arrangement Assets:				
SBITA Assets (1)	54,600	212,490	-	267,090
Less Accumulated Amortization for:				
SBITA Assets (1)	(19,717)	(28,825)	-	(48,542)
Total SBITA Assets, Net	<u>34,883</u>	<u>183,665</u>	<u>-</u>	<u>218,548</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 80,040,019</u>	<u>\$ 22,744,533</u>	<u>\$ (7,314,834)</u>	<u>\$ 95,469,718</u>

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96, See Note 5.

Please note capital purchases of Business-Type Activities capital assets are purchased and transferred from Governmental Funds. The transfer is shown as capital contributions on the proprietary fund statement. For the fiscal year ending June 30, 2023 capital contributions from the Governmental Activities to the Business-Type Activities were \$31,710,409 as shown on the Statement of Activities. The transfer was funded by bond proceeds and utilized for employee housing.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Capital Assets (Continued)**

**Business-Type Activities:** A summary of changes in the Business-Type Activities capital assets for the year ended June 30, 2023:

	<u>Balances 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 6/30/2023</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,024,236	\$ -	\$ -	\$ 1,024,236
Capital Assets Being Depreciated:				
Buildings and Improvements	27,029,261	31,710,409	-	58,739,670
Less Accumulated Depreciation for:				
Buildings and Improvements	<u>(7,387,280)</u>	<u>(1,950,360)</u>	<u>-</u>	<u>(9,337,640)</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><u>\$ 20,666,217</u></u>	<u><u>\$ 29,760,049</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,426,266</u></u>

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

**Governmental Activities:**

Direct Instruction	\$ 2,231,711
Indirect Instruction	345,436
Transportation	5,977
Custodial and Maintenance	117,370
Support Services	243,014
General Administration	333,462
Total Governmental Activities	<u><u>\$ 3,276,970</u></u>

**Business-Type Activities:**

Employee Housing	\$ 1,950,360
Total Business-Type Activities	<u><u>\$ 1,950,360</u></u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Capital Assets (Continued)**

**Component Unit:** A summary of changes in the Aspen Community School capital assets for the year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Depreciable Assets				
Buildings and Improvements	\$ 10,488,238	\$ -	\$ -	\$ 10,488,238
Furniture, Fixtures and Equipment	418,330	-	-	418,330
Land Improvements	980,206	-	-	980,206
Total Depreciable Assets	<u>11,886,774</u>	<u>-</u>	<u>-</u>	<u>11,886,774</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,494,896)	(332,445)	-	(2,827,341)
Furniture, Fixtures and Equipment	(446,646)	(1,125)	-	(447,771)
Land Improvements	(499,128)	(59,659)	-	(558,787)
Total Accumulated Depreciation	<u>(3,440,670)</u>	<u>(393,229)</u>	<u>-</u>	<u>(3,833,899)</u>
Total Capital Assets, Net	<u>\$ 8,446,104</u>	<u>\$ (393,229)</u>	<u>\$ -</u>	<u>\$ 8,052,875</u>

Depreciation expense of \$393,299 was charged to direct instruction.

**Short-Term Debt**

*State Sponsored Interest-Free Loan Program*

During the year ended June 30, 2023, the District borrowed in total \$10,617,246 from the State-sponsored interest-free loan program during November 2022 – March 2023 to provide cash flow throughout the fiscal year. The loan was paid back in full during April 2023 – June 2023, from property taxes received in 2023.

**Long-Term Debt**

Changes in Long-Term Debt

Long-Term liability activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Bonds:					
Series 2011 Refunding Bonds	\$ 2,125,000	\$ -	\$ (2,125,000)	\$ -	\$ -
Series 2012 Refunding Bonds	6,725,000	-	(115,000)	6,610,000	2,135,000
Series 2016 Refunding Bonds	6,015,000	-	(785,000)	5,230,000	800,000
Series 2021 GO Bonds	92,495,000	-	(825,000)	91,670,000	1,055,000
Bond Premiums	18,780,367	-	(1,604,915)	17,175,452	-
Financed Purchase	1,722,156	-	(108,470)	1,613,686	116,860
SBITA Liabilities	-	225,242	(9,978)	215,264	41,179
Accrued Compensated Absences	359,828	452,365	(295,528)	516,665	258,333
Total Long-Term Debt	<u>\$ 128,222,351</u>	<u>\$ 677,607</u>	<u>\$ (5,868,891)</u>	<u>\$ 123,031,067</u>	<u>\$ 4,406,372</u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Long-Term Debt (Continued)**

*General Obligation Bonds*

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are payable from general property taxes. These bonds generally are issued as 20 year serial bonds. General obligation bonds currently outstanding were issued as follows:

\$14,810,000 Series 2011 General Obligation Refunding Bonds, dated September 22, 2011, were issued to partially refund the Series 2001 and Series 2005 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2022. Series 2011 General Obligation Refunding Bonds were paid off during the year ended June 30, 2023.

\$7,840,000 Series 2012 General Obligation Refunding Bonds, dated February 28, 2012, were issued to partially refund the Series 2005 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 3.0%. Principal payments are due December 1 until December 2025.

\$9,610,000 Series 2016 General Obligation Refunding Bonds, dated March 9, 2016, were issued to refund the Series 2005 General Obligation Bonds and partially refund the Series 2009 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2028.

\$94,315,000 Series 2021 General Obligation Bonds, dated April 2021 were issued. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2041.

Annual debt service requirement to maturity for general obligation bonds is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,990,000	\$ 4,038,050	\$ 8,028,050
2025	4,120,000	3,894,750	8,014,750
2026	4,275,000	3,737,975	8,012,975
2027	4,435,000	3,551,650	7,986,650
2028	4,650,000	3,333,550	7,983,550
2029 - 2033	26,820,000	13,038,450	39,858,450
2034 - 2038	32,765,000	7,141,250	39,906,250
2039 - 2041	22,455,000	1,370,700	23,825,700
Total	<u>\$ 103,510,000</u>	<u>\$ 40,106,375</u>	<u>\$ 143,616,375</u>

*Compensated Absences*

The District's policy is to pay out accrued vacation upon termination at the employee's rate of pay. This liability along with the related employment taxes and benefits has been accrued on the District's government wide financial statement. Payments which are anticipated to be paid out from current available resources are accrued on the District's funds and anticipated to be paid primarily from the General Fund.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Long-Term Debt (Continued)**

*Financed Purchase*

On March 13, 2018, the District entered into a financed purchased agreement with All American Investment Group, LLC for an energy performance contract in the amount of \$1,998,368. Principal payments are due quarterly starting on December 16, 2018 until September 16, 2033 and the interest rate is 3.5%. The property secured by the agreement is made up of energy improvements. The property will transfer ownership to the District at the end of the agreement.

Annual debt service requirement to maturity for the financed purchase is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 116,860	\$ 54,971	\$ 171,831
2025	125,758	50,766	176,524
2026	135,189	46,242	181,431
2027	145,182	41,381	186,564
2028	155,773	36,163	191,936
2029 - 2033	899,456	88,995	988,451
2034	35,469	310	35,779
Total	<u>\$ 1,613,686</u>	<u>\$ 318,828</u>	<u>\$ 1,932,514</u>

*SBITA Liabilities*

The District has entered into subscription based-information technology arrangements (SBITAs) with RingCentral and Droplet. The SBITA arrangements expire at various dates through 2028 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$267,090 and \$48,542, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 41,179	\$ 9,828	\$ 51,007
2025	43,286	7,721	51,007
2026	45,500	5,507	51,007
2027	47,828	3,179	51,007
2028	37,471	785	38,256
Total	<u>\$ 215,264</u>	<u>\$ 27,020</u>	<u>\$ 242,284</u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Fund Balance and Net Position**

The District classifies governmental fund balances as follows:

Non-spendable – Included fund balance amounts that cannot be spent either because it is not in spendable form (prepaid items) or because of legal or contractual requirements.

Spendable Fund Balance:

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Board of Education. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Education platform to review, and/or make changes to each department's budget. The Budget is then formally presented to Board of Education via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Education approval, must be presented via a public process and again approval by Board of Education.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education or its management designee.

*Unassigned* – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Board of Education.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Fund Balance and Net Position (Continued)**

At June 30, 2023, the District had fund balances restricted for the following purposes:

Debt service on G.O. Debt	\$ 8,178,493
Capital Projects	40,145,487
Tabor reserve	1,013,028
	\$ 49,337,008
	\$ 49,337,008

At June 30, 2023, the District had fund balances committed for the following purposes:

Local Option Fund	\$ 370,758
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The District has \$393,633 of assigned fund balance for a fiscal year 2024 budgeted deficit in the General Fund, \$309,604 assigned for instructional costs in the Aspen Educational Fund, and \$421,496 assigned for assisting Aspen family communities for the Non-Major Funds. The District had negative unassigned fund balance of \$22,776 for the General Fund and \$533,323 negative unassigned fund balance for the Non-Major Funds. The District is focused on increasing the unassigned fund balance in fiscal year 2024.

Net Position - Net investment in capital assets represent the district's capital assets net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents resources with legal or contractual obligations to spend in accordance with restrictions imposed by external third parties. The unrestricted classification includes all net position not invested in capital assets or restricted.

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

**Summary of Significant Accounting Policies**

*On-Behalf Payments*

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. HB 22-1029, enacted June 7, 2022, required a restorative payment for the suspended 2020 direct distribution due to HB 20-1379. Upon enactment of HB 22-1029, the State treasurer distributed \$380 million with reductions, as applicable, to future direct distributions scheduled to occur July 1, 2023 and July 1, 2024.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

*Pensions*

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

**General Information about the Pension Plan**

*Plan Description*

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

*Benefits Provided as of December 31, 2022*

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

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

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

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

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

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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 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, 2023*

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 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

	July 1, 2022 Through June 30, 2023
Employer Contribution Rate <sup>1</sup>	11.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	10.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	5.50 %
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	20.38 %

<sup>1</sup>Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$4,190,660 for the year ended June 30, 2023.

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 a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million, upon enactment. The July 1, 2023, payment is reduced by \$190 million to \$35 million. The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million, for a total of approximately \$49.5 million to be contributed July 1, 2023.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the District reported a liability of \$44,903,090 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$ 44,903,090
State's Proportionate Share of the Net Pension Liability	
Associated with the District	13,085,212
Total	<u>\$ 57,988,302</u>

At December 31, 2022, the District's proportion was 0.246592%, which was a decrease of 0.034438% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,675,330 and revenue of \$1,538,741 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 424,959	\$ -
Changes of Assumptions or other Inputs	795,380	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	6,032,139	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	1,093,662	6,202,350
Contributions Subsequent to the Measurement Date	2,156,701	-
Total	<u>\$ 10,502,841</u>	<u>\$ 6,202,350</u>

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

\$2,156,701 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (1,860,838)
2025	(1,187,183)
2026	1,683,185
2027	3,508,626

*Actuarial Assumptions*

The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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 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.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. 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:

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

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

*Discount Rate*

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million direct distribution, a warrant to PERA in the amount of \$380 million. The July 1, 2023, direct distribution is reduced by \$190 million to \$35 million. The July 1, 2024, direct distribution will not be reduced from \$225 million due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

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

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

	1% Increase (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 58,762,701	\$ 44,903,090	\$ 33,328,898

*Pension Plan Fiduciary Net Position*

Detailed information about the SCHDTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**Summary of Significant Accounting Policies**

*OPEB*

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

**General Information about the OPEB Plan**

*Plan Description*

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

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

*Benefits Provided*

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

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

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

*PERA Benefit Structure*

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

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

*DPS Benefit Structure*

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

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

*Contributions*

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

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 \$209,739 for the year ended June 30, 2023.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

At June 30, 2023, the District reported a liability of \$1,529,466 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, District's proportion was 0.187325%, which was an increase of 0.003837% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB net expense of \$110,172. At June 30, 2023, 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	\$ 199	\$ 369,876
Changes of Assumptions or other Inputs	24,583	168,806
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	93,417	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	46,961	24,910
Contributions Subsequent to the Measurement Date	107,941	-
Total	\$ 273,101	\$ 563,592

\$107,941 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (149,112)
2025	(139,972)
2026	(66,613)
2027	(2,955)
2028	(32,462)
Thereafter	(7,318)

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

*Actuarial Assumptions*

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	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		3.20%-11.30%		
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		0.00%		
Service-based Premium Subsidy		0.00%		
PERACare Medicare Plans		6.50% in 2022, gradually decreasing to 4.50% in 2030		
Medicare Part A Premiums		3.75% in 2022, gradually increasing to 4.50% in 2029		

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

Age-Related Morbidity Assumptions						
Participant Age	Annual Increase (Male)		Annual Increase (Female)			
65-69	3.00%		1.50%			
70	2.90%		1.60%			
71	1.60%		1.40%			
72	1.40%		1.50%			
73	1.50%		1.60%			
74	1.50%		1.50%			
75	1.50%		1.40%			
76	1.50%		1.50%			
77	1.50%		1.50%			
78	1.50%		1.60%			
79	1.50%		1.50%			
80	1.40%		1.50%			
81 and older	0.00%		0.00%			

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$1,704	\$1,450	\$583	\$496	\$1,923
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 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.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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.

**ASPEN SCHOOL DISTRICT RE1  
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JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

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

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

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

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

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

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

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

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

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

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. 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.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

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

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

*Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 1,486,175	\$ 1,529,466	\$ 1,576,571

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

*Discount Rate*

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

*Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 1,773,104	\$ 1,529,466	\$ 1,321,077

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

**NOTE 5 OTHER INFORMATION**

**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and distortion of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. The District participates in the Colorado School Districts Self Insurance Pool. The Pool covers all insurance risks except for Worker's Compensation. The District pays annual premiums which are adjusted for any dividends during the year. Claim levels of the Pool may affect the District's premiums in future years. The District did not receive dividends during the year ended June 30, 2023. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District is fully self-insured for unemployment compensation and has a \$10,000 deductible property insurance and a \$10,000,000 annual aggregate liability limit. The district paid unemployment claims totaling \$28,312 in fiscal year 2023. The District continues to carry commercial insurance for all other risks of loss, including errors and omissions. Settled claims resulting from these risks have not exceeded commercial coverage in the past four years.

Pupil Counts: Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students' funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits. The School believes its pupil count information is accurate and any adjustment would not be material.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**Contingencies**

**Claims.** During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2023.

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% of adjusted revenue. The District has reserved a portion of its June 30, 2023 year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$1,013,028, which is approximately 3% of the fiscal year spending at June 30, 2023.

The initial base for local government spending and revenue limits is June 30, 1993 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**Contingencies (Continued)**

**Arbitrage Rebate.** Investment of bond reserves and bond proceeds at net interest rates in excess of the net interest rate being paid on the bonds may cause the District to be subject to an arbitrage penalty on the difference between the net interest earned and net interest paid. This arbitrage penalty would be payable to the U.S. Treasury on the five-year anniversary date of the bonds. Final arbitrage rebate cannot be determined until the bond proceeds are expended.

**Compliance**

The district may be in violation of state statutes as the expenditures, including transfers out, exceeded the appropriated budget.

<b>Fund</b>	<b>Final Expenditure Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
Aspen Education Fund	\$ 4,189,845	\$ 5,991,581	\$ (1,801,736)
Student Activity Fund	1,983,816	2,133,774	(149,958)
Aspen Family Connections	540,276	699,634	(159,358)

**Restatement of Beginning Net Position**

During the year ended June 30, 2023, beginning net position of the Governmental Activities was restated for the required adoption and implementation of GASB Statement No. 96 to record \$54,600 of SBITA assets and \$19,717 of accumulated amortization for a net increase in Governmental Activities net position of \$34,883. The restatements are as follows:

Net Position, as Previously Reported at June 30, 2022	Governmental Activities \$ 8,586,962
Implementation of GASB Statement No. 96	34,883
Net Position, as Restated, at July 1, 2022	<u>\$ 8,621,845</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 21,788,052	\$ 21,788,052	\$ 22,527,927	\$ 739,875
Specific Ownership Taxes	980,003	980,003	1,101,352	121,349
State Sources	5,202,655	5,202,655	6,538,516	1,335,861
Federal Sources	872,883	872,883	1,454,103	581,220
Investment Income	61,400	61,400	225,171	163,771
Other	1,708,570	1,708,570	2,031,043	322,473
Total Revenues	<u>30,613,563</u>	<u>30,613,563</u>	<u>33,878,112</u>	<u>3,264,549</u>
<b>EXPENDITURES</b>				
Current:				
Direct Instruction	18,986,697	18,986,697	19,393,559	(406,862)
Indirect Instruction	934,610	934,610	1,846,143	(911,533)
Transportation	1,207,610	1,207,610	1,565,995	(358,385)
Custodial and Maintenance	3,056,920	3,056,920	4,664,836	(1,607,916)
Support Services	2,179,200	2,179,200	2,476,941	(297,741)
General Administration	2,584,290	2,584,290	2,899,189	(314,899)
Food Service	750,380	750,380	975,364	(224,984)
Debt Service:				
Principal	-	-	9,978	(9,978)
Interest and Fiscal Charges	-	-	2,774	(2,774)
Capital Outlay	-	-	304,979	(304,979)
Contingency Reserve	5,065,778	5,065,778	-	5,065,778
Total Expenditures	<u>34,765,485</u>	<u>34,765,485</u>	<u>34,139,758</u>	<u>625,727</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,151,922)</u>	<u>(4,151,922)</u>	<u>(261,646)</u>	<u>3,890,276</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,180,000)	(1,180,000)	(680,000)	500,000
SBITAs	-	-	225,242	225,242
Total Other Financing Sources (Uses)	<u>(1,180,000)</u>	<u>(1,180,000)</u>	<u>(454,758)</u>	<u>725,242</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,331,922)	(5,331,922)	(716,404)	4,615,518
Fund Balance - Beginning	<u>5,331,922</u>	<u>5,331,922</u>	<u>2,770,652</u>	<u>(2,561,270)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,054,248</u>	<u>\$ 2,054,248</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
ASPEN EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other	\$ 3,962,000	\$ 3,962,000	\$ 5,471,674	\$ 1,509,674
Total Revenues	3,962,000	3,962,000	5,471,674	1,509,674
<b>EXPENDITURES</b>				
Current:				
Direct Instruction	1,829,410	1,829,410	3,531,136	(1,701,726)
Indirect Instruction	470,125	470,125	1,463,962	(993,837)
Custodial and Maintenance	-	-	146	(146)
Support Services	1,389,490	1,389,490	805,521	583,969
General Administration	-	-	104,816	(104,816)
Food Service	-	-	86,000	(86,000)
Contingency Reserve	210,130	210,130	-	210,130
Total Expenditures	3,899,155	3,899,155	5,991,581	(2,092,426)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	62,845	62,845	(519,907)	(582,752)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(290,690)	(290,690)	-	290,690
Total Other Financing Sources (Uses)	(290,690)	(290,690)	-	290,690
<b>NET CHANGE IN FUND BALANCE</b>				
	(227,845)	(227,845)	(519,907)	(292,062)
Fund Balance - Beginning	227,845	227,845	829,511	601,666
<b>FUND BALANCE - ENDING</b>				
	\$ -	\$ -	\$ 309,604	\$ 309,604

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
LAST TEN FISCAL YEARS**

Fiscal Year*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's Proportion (Percentage) of the Collective Net Pension Liability	0.246592033%	0.281026856%	0.316754152%	0.285962202%	0.285123379%	0.325703810%	0.330468862%	0.329664915%	0.323518618%	0.315236748%
District's Proportionate Share of the Collective Pension Liability	\$ 44,903,090	\$ 32,704,124	\$ 47,886,839	\$ 42,722,132	\$ 50,486,951	\$ 105,321,037	\$ 98,393,360	\$ 50,419,921	\$ 43,847,640	\$ 40,208,362
State's Proportionate Share of the Net Pension Liability associated with the District **	13,085,212	3,749,110	-	10,350,615	13,245,009	-	-	-	-	-
Total	\$ 57,988,302	\$ 36,453,234	\$ 47,886,839	\$ 48,140,892	\$ 57,390,340	\$ 105,321,037	\$ 98,393,360	\$ 50,419,921	\$ 43,847,640	\$ 40,208,362
Covered Payroll	\$ 19,016,240	\$ 17,568,893	\$ 16,944,700	\$ 16,926,225	\$ 16,327,944	\$ 15,018,695	\$ 14,761,014	\$ 14,728,524	\$ 13,951,998	\$ 13,040,341
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	236.1%	186.3%	282.6%	252.4%	309.2%	701.3%	666.6%	342.3%	314.3%	308.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

\*\*A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200. House Bill 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, therefore the State does not have a proportionate share of the net pension liability for fiscal year 2021.

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS  
LAST TEN FISCAL YEARS  
YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contributions	\$ 4,190,660	\$ 3,522,839	\$ 3,415,345	\$ 3,322,790	\$ 3,209,421	\$ 2,887,668	\$ 2,689,048	\$ 2,489,753	\$ 2,226,776	\$ 1,973,583
Contributions in Relation to the Statutorily Required Contribution	4,190,660	3,522,839	3,415,345	3,322,790	3,209,421	2,887,668	2,689,048	2,489,753	2,226,776	1,973,583
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 20,562,609	\$ 17,720,516	\$ 17,179,796	\$ 17,145,460	\$ 16,327,944	\$ 15,291,644	\$ 14,898,253	\$ 14,728,524	\$ 13,951,998	\$ 13,040,341
Contribution as a Percentage of Covered Payroll	20.4%	19.9%	19.9%	19.4%	19.7%	18.9%	18.0%	16.9%	16.0%	15.1%

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULES OF THE DISTRICT'S PROPORTIONATE  
SHARE OF OPEB LIABILITY  
LAST TEN FISCAL YEARS**

Fiscal Year*	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's Proportion (Percentage) of the Collective Net OPEB Liability	0.1873245930%	0.1834880019%	0.1832362500%	0.1866894994%	0.1853320462%	0.1849942324%	0.1878480067%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 1,529,466	\$ 1,582,226	\$ 1,741,157	\$ 2,100,634	\$ 2,521,520	\$ 2,404,185	\$ 2,435,513
Covered Payroll	\$ 19,016,240	\$ 17,558,893	\$ 16,944,700	\$ 16,926,225	\$ 16,327,944	\$ 15,018,695	\$ 14,761,014
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	8.00%	9.01%	10.28%	12.41%	15.44%	16.01%	16.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

\*The amounts presented for each fiscal year were determined as of December 31. This schedule is presented to illustrate the requirement to show information for 10 years. Since years prior to 2017 were not reported in accordance with the current GASB standards, the information is not available.

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS  
LAST TEN FISCAL YEARS  
YEAR ENDED JUNE 30, 2023**

Fiscal Year*	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 209,739	\$ 180,749	\$ 175,234	\$ 174,884	\$ 166,545	\$ 155,975	\$ 151,962
Contributions in Relation to the Contractually Required Contribution	209,739	180,749	175,234	174,884	166,545	155,975	151,962
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 20,562,609	\$ 17,720,516	\$ 17,179,796	\$ 17,145,460	\$ 16,327,944	\$ 15,291,644	\$ 14,898,253
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

\*The amounts presented for each fiscal year were determined as of June 30. Information is only available beginning in fiscal year 2017.

**ASPEN SCHOOL DISTRICT RE1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2023**  
**Changes in Benefit Terms and Actuarial Assumptions**

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

**ASPEN SCHOOL DISTRICT RE1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2023**  
**Changes in Benefit Terms and Actuarial Assumptions (Continued)**

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2023  
Changes in Benefit Terms and Actuarial Assumptions (Continued)**

- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%.
- The price inflation assumption was lowered from 3.50% to 2.80%.
- The wage inflation assumption was lowered from 4.25% to 3.90%.

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Notes to Required Supplementary Information (Other Post-Employment Benefits) – Fiscal Year 2023 Changes in Benefit Terms and Actuarial Assumptions**

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

**ASPEN SCHOOL DISTRICT RE1**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Notes to Required Supplementary Information (Other Post-Employment Benefits) – Fiscal Year 2023 Changes in Benefit Terms and Actuarial Assumptions (Continued)**

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

**SUPPLEMENTARY INFORMATION**

**ASPEN SCHOOL DISTRICT RE1  
COMBINING BALANCE SHEET  
NON-MAJOR FUNDS  
JUNE 30, 2023**

	<b>Student Activity Fund</b>	<b>Aspen Family Connections Fund</b>	<b>Total Non-Major Funds</b>
<b>ASSETS</b>			
<b>ASSETS</b>			
Due from Other Governments	\$ 18,618	\$ 5,637	\$ 24,255
Due from Other Funds	113,192	441,028	554,220
Prepaid Items	114,130	-	114,130
Total Assets	\$ 245,940	\$ 446,665	\$ 692,605
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 27,139	\$ 25,169	\$ 52,308
Accrued Salaries and Benefits	8,790	-	8,790
Due to Other Funds	629,204	-	629,204
Total Liabilities	665,133	25,169	690,302
<b>FUND BALANCES</b>			
Nonspendable	114,130	-	114,130
Assigned	-	421,496	421,496
Unassigned	(533,323)	-	(533,323)
Total Fund Balances	(419,193)	421,496	2,303
Total Liabilities and Fund Balances	\$ 245,940	\$ 446,665	\$ 692,605

**ASPEN SCHOOL DISTRICT RE1  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>Student Activity Fund</b>	<b>Aspen Family Connections Fund</b>	<b>Total Non-Major Funds</b>
<b>REVENUES</b>			
Other	\$ 989,324	\$ 788,663	\$ 1,777,987
Total Revenues	989,324	788,663	1,777,987
<b>EXPENDITURES</b>			
Current:			
Direct Instruction	-	150	150
Indirect Instruction	-	645,399	645,399
Support Services	-	2,260	2,260
General Administration	-	51,825	51,825
Student Activities	2,133,774	-	2,133,774
Total Expenditures	2,133,774	699,634	2,833,408
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,144,450)	89,029	(1,055,421)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	680,000	-	680,000
Total Other Financing Sources (Uses)	680,000	-	680,000
<b>NET CHANGE IN FUND BALANCES</b>	(464,450)	89,029	(375,421)
Fund Balances - Beginning	45,257	332,467	377,724
<b>FUND BALANCES - ENDING</b>	\$ (419,193)	\$ 421,496	\$ 2,303

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ 8,018,655	\$ 8,496,950	\$ 478,295
Investment Income	10,000	-	(10,000)
Total Revenues	<u>8,028,655</u>	<u>8,496,950</u>	<u>468,295</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	3,850,000	3,850,000	-
Interest and Fiscal Charges	4,183,375	4,185,125	(1,750)
Contingency Reserve	7,765,280	-	7,765,280
Total Expenditures	<u>15,798,655</u>	<u>8,035,125</u>	<u>7,763,530</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,770,000)	461,825	8,231,825
Fund Balance - Beginning	<u>7,770,000</u>	<u>7,716,668</u>	<u>(53,332)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ 8,178,493</u>	<u>\$ 8,178,493</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
BUILDING FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Investment Income	\$ 160,000	\$ 2,203,951	\$ 2,043,951
Other	-	190,000	190,000
Total Revenues	<u>160,000</u>	<u>2,393,951</u>	<u>2,233,951</u>
<b>EXPENDITURES</b>			
Current:			
Custodial and Maintenance	-	4,099	(4,099)
Support Services	-	100,355	(100,355)
Food Service	-	1,360	(1,360)
Debt Service:			
Interest and Fiscal Charges	-	5,515	(5,515)
Capital Outlay	58,500,000	50,014,711	8,485,289
Contingency Reserve	17,639,903	-	17,639,903
Total Expenditures	<u>76,139,903</u>	<u>50,126,040</u>	<u>26,013,863</u>
<b>NET CHANGE IN FUND BALANCE</b>	(75,979,903)	(47,732,089)	28,247,814
Fund Balance - Beginning	<u>75,979,903</u>	<u>86,057,991</u>	<u>10,078,088</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ 38,325,902</u>	<u>\$ 38,325,902</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL RESERVE FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment Income	\$ 750	\$ -	\$ (750)
Other	250,000	774,731	524,731
Total Revenues	<u>250,750</u>	<u>774,731</u>	<u>523,981</u>
<b>EXPENDITURES</b>			
Current:			
Custodial and Maintenance	50,000	-	50,000
Support Services	250,000	19,329	230,671
Debt Service:			
Principal	250,000	108,470	141,530
Interest and Fiscal Charges	-	58,877	(58,877)
Capital Outlay	-	97,388	(97,388)
Contingency Reserve	1,600,750	-	1,600,750
Total Expenditures	<u>2,150,750</u>	<u>284,064</u>	<u>1,866,686</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,900,000)	490,667	2,390,667
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	500,000	-	(500,000)
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,400,000)	490,667	1,890,667
Fund Balance - Beginning	1,400,000	1,328,918	(71,082)
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ 1,819,585</u>	<u>\$ 1,819,585</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
STUDENT ACTIVITY FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Other	\$ 1,108,000	\$ 989,324	\$ (118,676)
Total Revenues	<u>1,108,000</u>	<u>989,324</u>	<u>(118,676)</u>
<b>EXPENDITURES</b>			
Current:			
Direct Instruction	490,530	-	490,530
Student Activities	1,144,370	2,133,774	(989,404)
Contingency Reserve	348,916	-	348,916
Total Expenditures	<u>1,983,816</u>	<u>2,133,774</u>	<u>(149,958)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(875,816)	(1,144,450)	(268,634)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	680,000	680,000	-
Total Other Financing Sources (Uses)	<u>680,000</u>	<u>680,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(195,816)	(464,450)	(268,634)
Fund Balance - Beginning	<u>195,816</u>	<u>45,257</u>	<u>(150,559)</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ (419,193)</u>	<u>\$ (419,193)</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
ASPEN FAMILY CONNECTIONS FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Other	\$ 440,000	\$ 788,663	\$ 348,663
Total Revenues	<u>440,000</u>	<u>788,663</u>	<u>348,663</u>
<b>EXPENDITURES</b>			
Current:			
Direct Instruction	-	150	(150)
Indirect Instruction	376,700	645,399	(268,699)
Support Services	-	2,260	(2,260)
General Administration	150,000	51,825	98,175
Contingency Reserve	13,576	-	13,576
Total Expenditures	<u>540,276</u>	<u>699,634</u>	<u>(159,358)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(100,276)	89,029	189,305
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	100,000	-	(100,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(276)	89,029	89,305
Fund Balance - Beginning	<u>276</u>	<u>332,467</u>	<u>332,191</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ -</u>	<u>\$ 421,496</u>	<u>\$ 421,496</u>

**ASPEN SCHOOL DISTRICT RE1  
BUDGETARY COMPARISON SCHEDULE  
EMPLOYEE HOUSING FUND  
YEAR ENDED JUNE 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,281,000	\$ 1,084,235	\$ (196,765)
Other Income	-	15,197	15,197
Total Operating Revenues	1,281,000	1,099,432	(181,568)
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	253,800	206,276	47,524
Purchased Services	227,500	421,646	(194,146)
Housing Costs	970,000	204,043	765,957
Utilities Expense	177,700	234,761	(57,061)
Total Operating Expenses	1,629,000	1,066,726	562,274
<b>INCOME (LOSS) FROM OPERATIONS</b>	(348,000)	32,706	380,706
<b>CHANGE IN NET POSITION - NON-GAAP BASIS</b>	\$ (348,000)	32,706	\$ 380,706
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Contributions		31,710,409	
Depreciation Expense		(1,950,360)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		29,792,755	
Fund Balance - Beginning		20,729,804	
<b>FUND BALANCE - ENDING</b>		\$ 50,522,559	

## COMPLIANCE SECTION

**SINGLE AUDIT**



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

Board of Education  
Aspen School District RE1  
Aspen, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Aspen School District RE1 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 7, 2023. Our report includes a reference to other auditors who audited the financial statements of the Aspen Community School (the School) and the Aspen Education Foundation (the Foundation), as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the School and the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

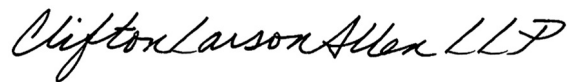
As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

***The District’s Response to the Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***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.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
December 7, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Aspen School District RE1  
Aspen, Colorado

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Aspen School District RE1'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 the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

In performing an audit in accordance with GAAS, *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 Auditors' 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.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
December 7, 2023

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>			
Passed through the Colorado Department of Education			
Special Education Cluster			
Special Education	4027	84.027	\$ 298,199
Special Education Preschool	4173	84.173	<u>7,987</u>
Total Special Education Cluster			306,186
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	4414	84.425U	83,111
Title I Grants to Local Education Agencies	4010/9202	84.010	44,934
Supporting Effective Instruction State Grants	4367	84.367	14,179
Student Support and Academic Enrichment Program	4424	84.424	<u>10,000</u>
Total U.S. Department of Education			458,410
<b>U.S. Department of Agriculture</b>			
Passed through Pitkin County, Colorado			
Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	7665	10.665	<u>560,060</u>
Total Forest Service Schools and Roads Cluster			560,060
Passed through the Colorado Department of Education			
SNAP Cluster			
Supplemental Nutrition Assistance Program (SNAP)	4649	10.551	<u>653</u>
Total SNAP Cluster			<u>653</u>
Total U.S. Department of Agriculture			<u>560,713</u>
Total Federal Financial Assistance			<u><u>\$ 1,019,123</u></u>

*The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.*

**ASPEN SCHOOL DISTRICT RE1  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

**NOTE 1 BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards.

**NOTE 2 INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 SUBRECIPIENTS**

The District did not have subrecipients of federal awards for the year ended June 30, 2023.

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weaknesses identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency identified?   x   yes      \_\_\_\_\_ none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over the major federal program:
- Material weaknesses identified? \_\_\_\_\_ yes        x   no
  - Significant deficiencies identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for the major federal program: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

***Identification of Major Federal Program***

**Assistance Listing Number**

10.665

**Name of Federal Program or Cluster**

Forest Service Schools and Roads Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section II – Financial Statement Findings***

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**2023 – 001 Construction Payables**

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

**Condition:** Construction invoices received after year end in the amount of \$281,416 applicable to the year under audit were not accrued as expense and payables in the year of service.

**Criteria or specific requirement:** Governmental Accounting Standards Board Statement No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements – An Interpretation of NCGA Statements 1, 4, and 5; NCGA Interpretation 8; And GASB Statements No. 10, 16, and 18*, and subsequent amendments to this guidance define accrual accounting and provide guidance for proper accounting of these liabilities.

**Effect:** As a result of the issue, expenses and liabilities were understated by \$281,416.

**Cause:** The invoice dates were used to determine when the expense was incurred rather than the period of service on the invoices.

**Repeat finding:** This is not a repeat finding.

**Recommendation:** We recommend that the District review invoices received after year end more thoroughly to ensure the proper accounting and period are recorded.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the audit finding. The District has provided a corrective action plan on page 101.

**Responsible officials:** Mary Rodino, Assistant Superintendent of Business Operations and Max Marolt, Controller

**ASPEN SCHOOL DISTRICT RE1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Program***

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

**ASPEN SCHOOL DISTRICT RE1  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

Aspen School District RE1 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2023.

Prior Audit period: July 1, 2021 - June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2022 – 001 Timeliness of Bank Reconciliations**

**Condition:** The District did not prepare its fiscal year ended June 30, 2022 timely.

**Status:** Corrected. The District prepared bank reconciliations timely during the fiscal year ended June 30, 2023.

**2022 – 002 Segregation of Duties and Prior Period Adjustment**

**Condition:** The District has inadequate segregation of duties within the finance department and its working systems which create an additional risk of errors and inaccurate financial reporting.

**Status:** Corrected. The District addressed segregation of duties risks by hiring a controller and reviewing control access.

**ASPEN SCHOOL DISTRICT RE1  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2023**

Aspen School District RE1 respectfully submits the following corrective action plan for the year ended June 30, 2023.

Audit period: July 1, 2022 – June 30, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCY**

2023-001      Construction Payables

Recommendation: We recommend that the District review invoices received after year end more thoroughly to ensure the proper accounting and period are recorded.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The District is adding a control where all transactions that are booked subsequent to year end regardless of the fiscal year they are booked to are subject to review for appropriate fiscal year. The District will review the service period more closely on the invoices that are reviewed after fiscal year end.

Name of the contact persons responsible for corrective action: Mary Rodino, Assistant Superintendent of Business Operations and Max Marolt, Controller

Planned completion date for corrective action plan: June 30, 2024

**STATE COMPLIANCE SECTION**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2640 – Aspen 1  
 Fiscal Year 2022-23  
 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
<b>Governmental</b>						
10 General Fund	2,770,652		31,145,099	31,861,507		2,054,244
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>2,770,652</b>		<b>31,145,099</b>	<b>31,861,507</b>		<b>2,054,244</b>
11 Charter School Fund	1,942,371		3,379,389	2,829,144		2,492,617
20.26-29 Special Revenue Fund	1,161,877		6,260,336	6,691,212		731,100
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	0		0	0		0
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	45,256		1,669,320	2,133,770		-419,193
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	7,716,668		8,496,949	8,035,124		8,178,493
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	86,057,992		2,993,951	50,126,039		38,325,904
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	1,328,917		774,731	284,065		1,819,584
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>101,023,833</b>		<b>54,119,776</b>	<b>101,960,860</b>		<b>53,182,749</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	20,729,806		32,809,838	3,017,085		50,522,559
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>20,729,806</b>		<b>32,809,838</b>	<b>3,017,085</b>		<b>50,522,559</b>
<b>Fiduciary</b>						
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	5,784,729		5,902,628	5,660,385		6,026,972
<b>Totals</b>	<b>5,784,729</b>		<b>5,902,628</b>	<b>5,660,385</b>		<b>6,026,972</b>
			<b>FINAL</b>			

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