

cPa DIXON, WALLER & CO., INC.

CHEYENNE COUNTY

SCHOOL DISTRICT R-1

KIT CARSON, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2023

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

CHEYENNE COUNTY SCHOOL DISTRICT R-1

FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis.....	i-vii
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8

Notes to Basic Financial Statements	9-39
---	------

REQUIRED SUPPLEMENTARY INFORMATION:

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund.....	40-42
Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	43
Schedule of District Contributions - Pension.....	44
Other Post Employment Benefit (OPEB) Trend Data:	
Schedule of Proportionate Share of Net OPEB Liability.....	45
Schedule of District Contributions – OPEB.....	46

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:

Combining Balance Sheet – Nonmajor Governmental Funds.....	47
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds.....	48
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Bond Redemption – Debt Service Fund.....	49
Capital Reserve Capital Project – Capital Project Fund.....	50
Food Service – Special Revenue Fund.....	51
Student Activity – Special Revenue Fund.....	52

STATE REQUIRED SCHEDULES:

Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	53
Bolded Balance Sheet.....	54-56

CHEYENNE COUNTY SCHOOL DISTRICT R-1
ROSTER OF SCHOOL OFFICIALS
June 30, 2023

BOARD OF EDUCATION

Toby Johnson	President
Dara Randel	Vice President
Justin Golding	Secretary
Jamie Conaway	Treasurer
Michael Buchanan	Member

SCHOOL OFFICIALS

Robert Framel	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Cheyenne County School District R-1
Kit Carson, Colorado 80825

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District R-1, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Cheyenne County School District R-1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District R-1, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cheyenne County School District R-1, 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 Cheyenne County School District R-1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cheyenne County School District R-1'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 Cheyenne County School District R-1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cheyenne County School District R-1's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


November 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2023

The Management discussion and analysis of Cheyenne County School District R-1 offers its readers an analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The main area of emphasis in this analysis will be on the primary government-general fund.

Cheyenne County School District R-1 reporting format is in compliance with the Government Accounting Standards Board or GASB. It is in accordance with GASB Statement NO. 34, Basic Financial Statement and Management Discussion and Analysis for State and local Governments that we offer this information today.

Financial Highlights

The net position for the fiscal year was \$25,193,121 which is a decrease of \$404,447 from the previous year. At the end of the fiscal year the District's governmental funds reported combined ending fund balances of \$3,837,624 which represents an decrease of \$70,529 from the previous year.

Overview of Financial Statements

This discussion shall serve as an introduction to the District's basic financial statements. These financial statements are comprised of three basic components. 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these statements other supplementary information is also provided for your examination.

Government-Wide Financial Statements

Government-wide financial statements provide data about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the assets and liabilities of Cheyenne County School District R-1.

All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is either receive or paid.

The two government-wide statements included in this report detail how the District's net position have changed. Net position, which represent the difference between assets and liabilities, are one way to gauge the District's financial health.

Over time, increases or decreases in the District's net position is an indication of whether its financial health is improving or deteriorating.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2023
(Continued)

The government-wide statements report all governmental activities.

Governmental activities - all of the District's basic services are included within this category. Activities such as instruction, administration, operation of the buildings and grounds, and pupil transportation can all be found under this classification.

Fund Financial Statements

These statements provide specific information about the most significant funds, not the District as a whole. The maintenance of certain funds is required by state law, and if applicable must also adhere to certain bond requirements as well.

Governmental funds - most of Cheyenne County School District R-1's financial activities are reported in governmental funds, which focus on the determination of financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Financial Analysis of the District as a Whole

As noted previously in this document, net position may serve over time as a useful indicator of a school district's financial health. In the case of Cheyenne County School District R-1, assets and deferred outflows exceeded liabilities and deferred inflows by \$25,193,121.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Management Discussion and Analysis
 For Fiscal Year Ended June 30, 2023
 (Continued)

Table 2

Changes in Net Position	2023	2022
	Governmental Activities	Governmental Activities
Revenues		
Charges for Services	53,312	39,854
Operating Grants and Contributions	396,986	388,292
Capital Grants and Contributions	122,560	343,591
Property taxes	1,512,896	1,393,638
Specific Ownership Taxes	164,149	146,826
Equalization	1,245,238	1,264,650
Earnings on investments	17,830	12,817
Other Revenues	34,473	27,959
TOTAL REVENUES	3,547,444	3,617,627
Expenses		
Instructional services	2,200,058	2,058,129
Students	166,659	178,922
Instructional staff	104,268	153,815
District administration	293,057	267,943
School administration	15,984	13,047
Operation and maintenance of facilities	532,876	491,194
Transportation	258,727	201,768
Central	15,680	9,891
Capital outlay	58,275	5,828
Interest	273,058	284,797
Pension and OPEB	(76,256)	(952,607)
Food Service	109,505	109,401
TOTAL EXPENSES	3,951,891	2,822,128
Increase (Decrease) in Net Position	(404,447)	795,499

Of the District's \$34,832,209 in assets, \$23,890,668(72%) reflects investment in capital assets (e.g. land, building, infrastructure, machinery, and equipment, net of related debt). The District uses its capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position is \$521,547.

The results of this year's operations as a whole are reported in the Statement of Activities in the audited financial statements. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly related to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Management Discussion and Analysis
 For Fiscal Year Ended June 30, 2023
 (Continued)

equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

Table 2 takes the information from the statement, rearranges it slightly so you can see total revenues for the year.

Table 2		
Changes in Net Position	2023	2022
	Governmental	Governmental
	Activities	Activities
Revenues		
Charges for Services	35,554	39,854
Operating Grants and Contributions	359,433	388,292
Capital Grants and Contributions	122,560	343,591
Property taxes	1,512,896	1,393,638
Specific Ownership Taxes	164,149	146,826
Equalization	1,245,238	1,264,650
Earnings on investments	17,830	12,817
Other Revenues	89,784	27,959
TOTAL REVENUES	3,547,444	3,617,627
Expenses		
Instructional services	2,200,058	2,058,129
Students	166,659	178,922
Instructional staff	104,268	153,815
District administration	293,057	267,943
School administration	15,984	13,047
Operation and maintenance of facilities	532,876	491,194
Transportation	258,727	201,768
Central	15,680	9,891
Capital outlay	58,275	5,828
Interest	273,058	284,797
Pension and OPEB	(76,256)	(952,607)
Food Service	109,505	109,401
TOTAL EXPENSES	3,951,891	2,822,128
Increase (Decrease) in Net Position	(404,447)	795,499

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Management Discussion and Analysis
 For Fiscal Year Ended June 30, 2023
 (Continued)

Table 3 shows the District's largest functions. It also shows the net costs (total cost less revenues generated by the activities). This table also indicates the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenues.

Table 3
Governmental Activities by Major Function

	2023		2022	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2,200,058	1,869,349	2,058,129	1,805,972
Students	166,659	32,419	178,922	(115,161)
Instructional staff	104,268	101,629	153,815	147,909
District administration	293,057	284,528	267,943	264,580
School administration	15,984	15,319	13,047	12,829
Operation and maintenance of facilities	532,876	522,672	491,194	436,230
Transportation	258,727	228,166	201,768	153,899
Central	15,680	15,680	9,891	9,891
Capital outlay	58,275	58,275	5,828	(43,680)
Interest	273,058	273,058	284,797	284,797
Pension and OPEB	(76,256)	(76,256)	(952,607)	(952,607)
Food Service	109,505	54,194	109,401	45,732
Total	3,951,891	3,379,033	2,822,128	2,050,391

The District Funds

Financial Analysis of the District's Funds

Revenues in the governmental funds decreased \$70,183 over the previous year. This decrease was mostly due to a decrease in capital grant revenue.

Expenditures in the governmental funds increased during the budget year by \$1,129,763 from the previous budget year. This increase was primarily due to an increase in pension and OPEB changes.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 Kit Carson, Colorado
 Management Discussion and Analysis
 For Fiscal Year Ended June 30, 2023
 (Continued)

General Fund Budget

Amendments were made to the original budget by January revision and supplemental appropriation.

Capital Assets and Debt Administration

As of June 30, 2023, the District had \$30,777,127 classified as net capital assets, which is a decrease of \$664,406 from the prior year.

Table 4
Capital Assets (Net of Depreciation)

	Governmental 2023	Governmental 2022
Sites	31,230	31,230
Buildings and Site Improvements	32,396,385	32,396,385
Equipment	452,920	446,465
Transportation	594,335	594,335
Total Capital Assets	33,474,870	33,468,415
Accumulated Depreciation	(2,697,743)	(1,970,462)
Net Capital Assets	30,777,127	31,497,953

In November 2018, the voters of the District approved a bond issue in the amount of \$8,048,784 to supplement a BEST grant awarded to build a new school building. The remaining balance of the bond issue is \$6,886,459 at June 30 2023. As of June 30, 2023, \$32,19,972 had been expended and the project was complete.

Economic Factors and Next Year’s Budget and Rates:

Cheyenne County School District R-1, better known as the Kit Carson School District R-1, and its subsequent student population are heavily dependent on oil and gas and farming and ranching activities. There has been an increase in the amount of local property that is now subject to wind turbines and oil and gas leases. If this increase interest in wind exploration continues, the district may see an increase in student count at that time. Conditions for the farming and ranching segment of the economy have improved and this may slow the decrease in student count that the district is currently experiencing as well.

The district has adequate reserves set aside to prepare for a gradual modification of its business operations to ensure the long-term financial viability of the district. However, the district has not been immune to sustained state equalization cuts (negative factor) and anticipates needing additional property tax override support in the future. The current COVID situation will have a massive effect on the state’s ability to fund education and personnel cuts are an option.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
Kit Carson, Colorado
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2023
(Continued)

The 2023-24 budget was built on an estimated five-year average student count of 96 students. Should student count unexpectedly exceed that amount, the district will modify its budget prior to December 31st 2023 and approve at the January 2024 Board of Education meeting. The student count calculation used was conservative in nature and as such a reduction in the average is not anticipated.

Contacting the Financial Management

This financial report is intended to serve as a general overview of the District's financial status for anyone who has an interest in the District's finances. If you would like further information please contact Superintendent Robert Framel at P.O. Box 185 Kit Carson, CO 80825 or call 719-962-3219.

BASIC FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT R-1
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	4,027,108	4,027,108
Investments	-	-
Accounts Receivable	3,786	3,786
Accrued Revenue	-	-
Property Taxes Receivable	22,831	22,831
Inventories	1,357	1,357
Capital Assets	33,474,870	33,474,870
Accumulated Depreciation	<u>(2,697,743)</u>	<u>(2,697,743)</u>
<u>Total Assets</u>	<u>34,832,209</u>	<u>34,832,209</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	594,540	594,540
Other Post Employment Benefits	<u>19,306</u>	<u>19,306</u>
<u>Total Deferred Outflows</u>	<u>613,846</u>	<u>613,846</u>
<u>LIABILITIES</u>		
Accounts Payable	7,220	7,220
Accrued Salaries and Benefits	195,692	195,692
Accrued Interest Payable	22,341	22,341
Unearned Grants	-	-
NonCurrent Liabilities:		
Bond Payments Due Within One Year	318,251	318,251
Bond Due in More Than One Year	6,568,208	6,568,208
Net Pension Liability	2,638,865	2,638,865
Net OPEB Liability	<u>89,935</u>	<u>89,935</u>
<u>Total Liabilities</u>	<u>9,840,512</u>	<u>9,840,512</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	368,735	368,735
Other Post Employment Benefits	<u>43,687</u>	<u>43,687</u>
<u>Total Deferred Inflows</u>	<u>412,422</u>	<u>412,422</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	23,890,668	23,890,668
Restricted for:		
Debt	593,886	593,886
TABOR Reserve	81,000	81,000
Preschool	34,772	34,772
BEST Capital Renewal Reserve	50,000	50,000
Food Service	21,248	21,248
Capital Outlay	-	-
Unrestricted	<u>521,547</u>	<u>521,547</u>
<u>TOTAL NET POSITION</u>	<u>25,193,121</u>	<u>25,193,121</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Primary Government Activities		
FUNCTIONS						
Instructional Services	2,200,058	17,874	312,835	-	(1,869,349)	
Supporting Services:						
Students	166,659	11,680	-	122,560	(32,419)	
Instructional Staff	104,268	-	2,639	-	(101,629)	
District Administration	293,057	-	8,529	-	(284,528)	
School Administration	15,984	-	665	-	(15,319)	
Operation & Maintenance of Facilities	532,876	6,000	4,204	-	(522,672)	
Transportation	258,727	-	30,561	-	(228,166)	
Central	15,680	-	-	-	(15,680)	
Food Service	109,505	17,758	37,553	-	(54,194)	
Capital Outlay	58,275	-	-	-	(58,275)	
Interest on Long-Term Debt	273,058	-	-	-	(273,058)	
Pension Changes	(59,887)	-	-	-	59,887	
OPEB Changes	(16,369)	-	-	-	16,369	
Total Governmental Activities	3,951,891	53,312	396,986	122,560	(3,379,033)	
Total School District	3,951,891	53,312	396,986	122,560	(3,379,033)	
		General Revenues				
		Property Taxes Levied for General Purposes			1,512,896	
		Specific Ownership Taxes			164,149	
		Equalization			1,245,238	
		Earnings on Investments			17,830	
		Other Revenues			34,473	
		Total General Revenues and Transfers			2,974,586	
		Change in Net Position			(404,447)	
		Net Position, Beginning			25,597,568	
		Net Position, Ending			25,193,121	

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>Capital Reserve Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	2,449,513	756,365	589,736	231,494	4,027,108
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	3,786	3,786
Accrued Revenue	-	-	-	-	-
Inventories	-	-	-	1,357	1,357
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	<u>13,603</u>	<u>-</u>	<u>9,228</u>	<u>-</u>	<u>22,831</u>
Total Assets	<u>2,463,116</u>	<u>756,365</u>	<u>598,964</u>	<u>236,637</u>	<u>4,055,082</u>
LIABILITIES:					
Accounts Payable	-	-	-	7,220	7,220
Accrued Salaries & Benefits	193,590	-	-	2,102	195,692
Due To Other Funds	-	-	-	-	-
Unearned Grant Revenue	-	-	-	-	-
Deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>193,590</u>	<u>-</u>	<u>-</u>	<u>9,322</u>	<u>202,912</u>
DEFERRED INFLOW OF RESOURCES					
Property Tax	<u>9,468</u>	<u>-</u>	<u>5,078</u>	<u>-</u>	<u>14,546</u>
FUND BALANCES:					
Nonspendable					
Inventories	-	-	-	1,357	1,357
Restricted					
Emergency Reserve	81,000	-	-	-	81,000
BEST Capital Renewal Reserve	-	50,000	-	-	50,000
Debt Service	-	-	593,886	-	593,886
Preschool	34,772	-	-	-	34,772
Food Service	-	-	-	21,248	21,248
Capital Outlay	-	-	-	-	-
Committed					
Capital Outlay	-	706,365	-	-	706,365
Assigned					
Student Activities	-	-	-	204,710	204,710
Unassigned	<u>2,144,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,144,286</u>
Total Fund Balances	<u>2,260,058</u>	<u>756,365</u>	<u>593,886</u>	<u>227,315</u>	<u>3,837,624</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
	<u>2,463,116</u>	<u>756,365</u>	<u>598,964</u>	<u>236,637</u>	<u>4,055,082</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

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

<u>Total Fund Balance – Governmental Funds</u>	3,837,624
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$33,474,870 and the accumulated depreciation is \$2,697,743.	30,777,127
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	14,546
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(22,341)
Long-term liabilities, including certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in funds.	(6,886,459)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(2,638,865)
Net Other Post Employment Benefits Liability	(89,935)
Deferred Outflows	613,846
Deferred Inflows	<u>(412,422)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>25,193,121</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	<u>General</u>	<u>Capital Reserve Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property Taxes	893,920	-	615,643	-	1,509,563
Specific Ownership taxes	164,149	-	-	-	164,149
Earnings on Investments	13,823	4,007	-	-	17,830
Other Local Sources	69,196	-	830	140,318	210,344
State Aid	1,432,972	-	-	700	1,433,672
Federal Aid	171,700	-	-	36,853	208,553
Total Revenues	<u>2,745,760</u>	<u>4,007</u>	<u>616,473</u>	<u>177,871</u>	<u>3,544,111</u>
EXPENDITURES					
Current:					
Instructional Services	1,526,935	-	-	-	1,526,935
Supporting Services:					
Students	14,752	-	-	151,907	166,659
Instructional Staff	104,268	-	-	-	104,268
District Administration	291,428	-	-	-	291,428
School Administration	15,984	-	-	-	15,984
Operation & Maintenance of Facilities	530,722	-	-	-	530,722
Transportation	226,316	-	-	-	226,316
Central	15,680	-	-	-	15,680
Food Service	-	-	-	97,996	97,996
Debt Service:					
Principal	-	-	306,325	-	306,325
Interest	-	-	274,052	-	274,052
Capital Outlay	-	58,275	-	-	58,275
Total Expenditures	<u>2,726,085</u>	<u>58,275</u>	<u>580,377</u>	<u>249,903</u>	<u>3,614,640</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,675</u>	<u>(54,268)</u>	<u>36,096</u>	<u>(72,032)</u>	<u>(70,529)</u>
OTHER FINANCING SOURCES (USES):					
Transfers	<u>(57,201)</u>	<u>22,000</u>	<u>-</u>	<u>35,201</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(37,526)</u>	<u>(32,268)</u>	<u>36,096</u>	<u>(36,831)</u>	<u>(70,529)</u>
FUND BALANCE – Beginning	<u>2,297,584</u>	<u>788,633</u>	<u>557,790</u>	<u>264,146</u>	<u>3,908,153</u>
FUND BALANCES – Ending	<u>2,260,058</u>	<u>756,365</u>	<u>593,886</u>	<u>227,315</u>	<u>3,837,624</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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

Net Change in Fund Balances – Total Governmental Funds (70,529)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays more than \$5,000	6,455	
Depreciation expense	<u>(727,281)</u>	(720,826)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. 3,333

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of debt principal	306,325	
Interest expense	<u>994</u>	307,319

The change in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension	59,887	
Other Post Employment Benefits Cost	<u>16,369</u>	<u>76,256</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (404,447)

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

NOTES TO BASIC FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cheyenne County School District R-1 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Cheyenne County School District R-1. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows 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.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

• Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Capital Reserve Capital Project Fund – used to accumulate and expand resources for district capital expenditure requirements.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. 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 considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2022 but uncollected in 2023 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2023 are recorded as deferred revenue. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (6-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

J. Deferred Outflows / Inflows of Resources

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows / Inflows of Resources (continued)

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

K. Constitutional Amendment

In November 1992, Colorado voters approved 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. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

The voters of the District passed a ballot issue in November of 1997 which allows the District to collect, retain, and expend revenues legally received from any source.

The voters of the District approved a \$200,000 tax override in 1994 for all subsequent years. In November of 2015, the voters of the District also approved a \$150,000 tax override for all subsequent years and a one-time \$150,000 tax override for the Special Building and Technology Capital Projects Fund.

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 years. TABOR 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 three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2023 the District reserved \$81,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2022 property tax calendar for Cheyenne County was as follows:

Levy Date	December 15, 2022
Lien Date	January 1, 2023
Tax Bills Mailed	January 1, 2023
First Installment Due	February 28, 2023
Second Installment Due	June 15, 2023
If Paid in Full, Due	April 30, 2023
Tax Sale – 2021 Delinquent Property Taxes	October 25, 2022

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Capital Reserve Project Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	1,357	-	-	1,357
<u>Restricted:</u>						
Emergencies	81,000	-	-	-	-	81,000
Preschool	34,772	-	-	-	-	34,772
Debt Service	-	593,886	-	-	-	593,886
<u>BEST Capital</u>						
Reserve	-	-	-	-	50,000	50,000
Food Service	-	-	21,248	-	-	21,248
Capital Outlay	-	-	-	-	-	-
<u>Committed:</u>						
Capital Outlay	-	-	-	-	706,365	706,365
<u>Assigned:</u>						
<u>Student</u>						
Activities	-	-	-	204,710	-	204,710
<u>Unassigned</u>	<u>2,144,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,144,286</u>
<u>Total Fund</u>						
<u>Balances</u>	<u>2,260,058</u>	<u>593,886</u>	<u>22,605</u>	<u>204,710</u>	<u>756,365</u>	<u>3,837,624</u>

P. Recently Adopted Accounting Pronouncements:

On July 1 2022, Cheyenne County School District R-1 adopted GASB 96, Subscription-based Information Technology Arrangements. The District will comply with GASB 96 on any long term subscription-based information technology arrangements that are individually or aggregately material to the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-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 government funds* and *changes in net position of governmental activities* as reported in the government-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 government-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.

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	57,201
Food Service	35,201	-
Capital Reserve Capital Project	<u>22,000</u>	-
	<u>57,201</u>	<u>57,201</u>

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service Special Revenue and Capital Project Funds.
6. Budgets for the General, Debt Service, Capital Project and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 3 BUDGETARY INFORMATION (Continued)

All appropriations lapse at the end of each fiscal year. 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.

NOTE 4 CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2023, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	3,187,372	3,106,086
Cash with County Treasurer	<u>589,736</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>4,027,108</u>	<u>3,356,086</u>

As presented above, deposits with a bank balance of \$3,106,086 and a carrying balance of \$3,187,372 as of June 30, 2023 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
<u>Non-Depreciable Assets:</u>				
Land	31,230	-	-	31,230
Construction in Progress	-	-	-	-
<u>Total Non-Depreciable Assets</u>	<u>31,230</u>	<u>-</u>	<u>-</u>	<u>31,230</u>
<u>Depreciable Assets:</u>				
Buildings & Site				
Improvements	32,396,385	-	-	32,396,385
Equipment	446,465	6,455	-	452,920
Transportation	594,335	-	-	594,335
<u>Total Depreciable Assets</u>	<u>33,437,185</u>	<u>6,455</u>	<u>-</u>	<u>33,443,640</u>
<u>Less Accumulated</u>				
<u>Depreciation:</u>				
Building & Site				
Improvements	1,431,248	650,433	-	2,081,681
Equipment	95,459	44,437	-	139,896
Transportation	443,755	32,411	-	476,166
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>1,970,462</u>	<u>727,281</u>	<u>-</u>	<u>2,697,743</u>
<u>Total Capital Assets, Net</u>	<u>31,497,953</u>	<u>(720,826)</u>	<u>-</u>	<u>30,777,127</u>

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

Governmental Activities:

Instruction	673,123
General Administration	1,629
Operations and Maintenance	8,609
Transportation	32,411
Food Services	11,509
<u>Total Depreciation Expense – Governmental Activities</u>	<u>727,281</u>

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2023, are estimated to be \$195,692. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7

PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

Benefits provided as of December 31, 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.
- \$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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 **PENSION PLAN (Continued)**

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, Cheyenne County School District R-1 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.

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Cheyenne County School District R-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Cheyenne County School District R-1 were \$238,826 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 (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). 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 (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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 Cheyenne County School District R-1 proportion of the net pension liability was based on Cheyenne County School District R-1 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 Cheyenne County School District R-1 reported a liability of \$2,638,865 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Cheyenne County School District R-1 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 Cheyenne County School District R-1 were as follows:

Cheyenne County School District R-1 proportionate share of the net pension liability	\$ 2,638,865
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Cheyenne County School District R-1	\$ 768,992
Total	\$ 3,407,857

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 PENSION PLAN (Continued)

At December 31, 2022, the Cheyenne County School District R-1 proportion was 0.0145%, which was a decrease of 0.003% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Cheyenne County School District R-1 recognized pension income of \$59,887 and revenue of \$65,575 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Cheyenne County School District R-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	24,974	-
Changes of assumptions or other inputs	46,743	-
Net difference between projected and actual earnings on pension plan investments	354,497	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	44,252	(368,735)
Contributions subsequent to the measurement date	124,074	N/A
Total	594,540	(368,745)

\$124,074 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:

Year ended June 30, 2023	
2024	(103,475)
2025	(86,848)
2026	85,859
2027	206,195
2028	-
Thereafter	-

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 PENSION PLAN (Continued)

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%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*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.

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 **PENSION PLAN (Continued)**

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:

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

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 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.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) 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 position 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 Cheyenne County School District R-1 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:

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 PENSION PLAN (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	3,453,366	2,638,865	1,958,672

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.

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description – Employees of the Cheyenne County School District R-1 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the Cheyenne County School District R-1 has agreed to match employee contributions up to \$40. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$18,988 and Cheyenne County School District R-1 recognized pension expense and a liability of \$11,440 for the PERAPlus 401(k) Plan.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Cheyenne County School District R-1 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 Cheyenne County School District R-1 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Cheyenne County School District R-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Cheyenne County School District R-1 were \$11,953 for the year ended June 30, 2023.

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

At June 30, 2023, the Cheyenne County School District R-1 reported a liability of \$89,935 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 Cheyenne County School District R-1 proportion of the net OPEB liability was based on Cheyenne County School District R-1 contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Cheyenne County School District R-1 proportion was 0.011%, which was a decrease of 0.0003% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Cheyenne County School District R-1 recognized OPEB income of \$16,369. At June 30, 2023, the Cheyenne County School District R-1 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	12	(21,749)
Changes of assumptions or other inputs	1,445	(9,926)
Net difference between projected and actual earnings on OPEB plan investments	5,493	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,146	(12,012)
Contributions subsequent to the measurement date	6,210	N/A
Total	19,306	(43,687)

\$6,210 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:

Year ended June 30, 2023	
2024	(13,169)
2025	(9,955)
2026	(4,330)
2027	198
2028	(2,661)
Thereafter	(674)

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8

OTHER POST EMPLOYMENT BENEFITS (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:

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

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Age-Related Morbidity Assumptions		
Participant	Annual Increase	Annual Increase
Age	(Male)	(Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO(Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO(Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
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 (actual dollars) per month.

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

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

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

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

Sensitivity of the Cheyenne County School District R-1 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:

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
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%
Net OPEB Liability	\$104,262	\$89,935	\$92,705

*For the January 1, 2023, plan year.

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 Cheyenne County School District R-1 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	\$104,262	\$89,935	\$77,682

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.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 9 COMPENSATED ABSENCES

There is not a material liability for compensated absences at June 30, 2023.

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the fund from which they are paid.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2023.

An audited summary of the Colorado School District's Pool financial information for the year ended June 30, 2022 (latest information available) follows:

Total Assets	<u>77,006,177</u>
Total Liabilities	<u>41,993,151</u>
Total Surplus	<u>35,013,026</u>
Revenue	32,943,304
Underwriting Expenses	<u>36,961,713</u>
Underwriting Gain (Loss)	(4,018,409)
Net Investment Income	568,666
Other Income	<u>19,428</u>
Net Income (Loss) Before Dividend	(3,430,315)
Dividend	<u>-</u>
Net Income	(3,430,315)
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>-</u>
Return of Capital Contributions to Members	<u>-</u>
Unassigned Surplus	<u>35,013,026</u>

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 11 LONG-TERM DEBT

In November 2018, the voters of the District approved a bond issue in the amount of \$8,048,784 to supplement a BEST grant awarded by the State of Colorado to build a new school building on existing District land. Principal payments are due each December 1, and interest payments are due on June 1 and December 1 each year. The bond matures on December 1, 2038. The stated coupon rate is 3.893%.

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	318,251	261,895	580,146
2025	330,640	249,265	579,905
2026	343,512	236,142	579,654
2027	356,885	222,509	579,394
2028	370,778	208,345	579,123
2029-2033	2,081,980	809,196	2,891,176
2034-2038	2,520,043	362,605	2,882,648
2039	564,370	10,985	575,355
	<u>6,886,459</u>	<u>2,360,942</u>	<u>9,247,401</u>

Changes in Long-Term Debt

	<u>Beginning Balance 7-1-2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6-30-2023</u>	<u>Due Within One Year</u>
BEST Matching Money Bond	<u>7,192,784</u>	<u>-</u>	<u>306,325</u>	<u>6,886,459</u>	<u>318,251</u>

NOTE 12 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 13 INTERFUND ACTIVITY

Transfers from the general fund to support operational cash requirements and fund capital needs were made in the following amounts:

Food Service Fund	\$35,201
Capital Reserve Capital Project Fund	\$22,000

CHEYENNE COUNTY SCHOOL DISTRICT R-1
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2023. The joint venture summary audited financial information for the year ended June 30, 2022, is as follows:

Assets and Deferred Outflows	6,704,635
Liabilities and Deferred Inflows	<u>10,072,118</u>
Net Position	<u>(3,367,483)</u>
Revenues	12,852,203
Expenses	<u>9,596,279</u>
Change in Net Position	<u>3,255,924</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a copy of the audited financial statement with the office of Colorado State Auditor.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

Pension Trend Data

OPEB Trend Data

CHEYENNE COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	895,000	895,000	893,920	(1,080)
Specific Ownership Taxes	130,000	130,000	164,149	34,149
Earnings on Investments	16,500	16,500	13,823	(2,677)
Delinquent Taxes & Interest	1,300	1,300	1,071	(229)
Other	59,673	59,673	68,125	8,452
<u>State Sources</u>				
Equalization	1,243,287	1,243,287	1,245,238	1,951
Transportation	24,252	24,252	25,941	1,689
Vocational Education	12,500	12,500	18,221	5,721
Special Education	13,832	13,832	13,832	-
Other	78,846	78,846	129,740	50,894
<u>Federal Sources</u>				
Designated Purpose Grants	120,363	120,363	171,700	51,337
Other	-	-	-	-
TOTAL REVENUES	<u>2,595,553</u>	<u>2,595,553</u>	<u>2,745,760</u>	<u>150,207</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	884,764	884,764	891,009	(6,245)
Employee Benefits	349,078	349,078	398,568	(49,490)
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	1,650	1,650	2,209	(559)
Purchased Services - Other	120,729	120,729	116,505	4,224
Supplies and Materials	80,890	80,890	81,951	(1,061)
Property	14,820	14,820	30,636	(15,816)
Other Objects	8,120	8,120	6,057	2,063
<u>Total Instruction</u>	<u>1,460,051</u>	<u>1,460,051</u>	<u>1,526,935</u>	<u>(66,884)</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	7,500	7,500	5,142	2,358
Purchased Services - Other	500	500	-	500
Supplies and Materials	3,150	3,150	4,757	(1,607)
Property	-	-	-	-
Other Objects	150	150	4,853	(4,703)
<u>Total Student Services</u>	<u>11,300</u>	<u>11,300</u>	<u>14,752</u>	<u>(3,452)</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	36,022	36,022	52,338	(16,316)
Employee Benefits	12,574	12,574	20,457	(7,883)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	7,437	7,437	12,653	(5,216)
Supplies and Materials	13,100	13,100	18,820	(5,720)
Property	-	-	-	-
<u>Total Instructional Staff</u>	<u>69,133</u>	<u>69,133</u>	<u>104,268</u>	<u>(35,135)</u>
<u>General Administration</u>				
Salaries	170,186	170,186	169,187	999
Employee Benefits	66,432	66,432	76,791	(10,359)
Purchased Services – Professional	14,500	14,500	14,434	66
Purchased Services – Property	-	-	-	-
Purchased Services – Other	14,000	14,000	12,518	1,482
Supplies and Materials	9,000	9,000	4,448	4,552
Property	-	-	-	-
Other Objects	9,248	9,248	14,050	(4,802)
<u>Total General Administration</u>	<u>283,366</u>	<u>283,366</u>	<u>291,428</u>	<u>(8,062)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	13,200	13,200	13,200	-
Employee Benefits	2,440	2,440	2,784	(344)
Purchased Services – Professional	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>15,640</u>	<u>15,640</u>	<u>15,984</u>	<u>(344)</u>
<u>Operations and Maintenance</u>				
Salaries	76,178	76,178	83,383	(7,205)
Employee Benefits	34,800	34,800	40,716	(5,916)
Purchased Services – Professional	1,500	1,500	-	1,500
Purchased Services – Property	49,400	49,400	54,747	(5,347)
Purchased Services – Other	279,525	279,525	254,512	25,013
Supplies and Materials	105,000	105,000	90,909	14,091
Property	1,000	1,000	6,455	(5,455)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>547,403</u>	<u>547,403</u>	<u>530,722</u>	<u>16,681</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Student Transportation</u>				
Salaries	82,000	82,000	91,634	(9,634)
Employee Benefits	45,375	45,375	47,082	(1,707)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	19,000	19,000	16,131	2,869
Purchased Services – Other	750	750	116	634
Supplies and Materials	56,000	56,000	70,036	(14,036)
Property	-	-	-	-
Other Objects	650	650	1,317	(667)
<u>Total Student Transportation</u>	<u>203,775</u>	<u>203,775</u>	<u>226,316</u>	<u>(22,541)</u>
<u>Central Support</u>				
Purchased Services - Other	12,500	12,500	15,680	(3,180)
<u>Total Central Support</u>	<u>12,500</u>	<u>12,500</u>	<u>15,680</u>	<u>(3,180)</u>
<u>Facilities Acquisition and Construction</u>				
Property	-	-	-	-
<u>Total Facilities Acquisition & Construction</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,143,117</u>	<u>1,143,117</u>	<u>1,199,150</u>	<u>(56,033)</u>
<u>Appropriated Reserves</u>	<u>2,240,131</u>	<u>2,240,131</u>	<u>-</u>	<u>2,240,131</u>
<u>TOTAL EXPENDITURES</u>	<u>4,843,299</u>	<u>4,843,299</u>	<u>2,726,085</u>	<u>2,117,214</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,247,746)</u>	<u>(2,247,746)</u>	<u>19,675</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(49,837)	(49,837)	(57,201)	(7,364)
<u>Total Other Financing Sources (Uses)</u>	<u>(49,837)</u>	<u>(49,837)</u>	<u>(57,201)</u>	<u>(7,364)</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(2,297,583)</u>	<u>(2,297,583)</u>	<u>(37,526)</u>	
<u>FUND BALANCE, July 1</u>	<u>2,297,583</u>	<u>2,297,583</u>	<u>2,297,584</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,260,058</u>	

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.0145%	0.0174%	0.0183%	0.0171%	0.1795%	0.0228%	0.0226%	0.0224%	0.0225%	0.0237%
	\$2,638,865	\$2,021,042	\$2,773,293	\$2,554,467	\$3,179,068	\$7,367,605	\$6,738,055	\$3,418,499	\$3,046,840	\$2,939,646
District's proportionate share of the net pension liability (asset)										
State's proportionate share of the net pension liability associated with the District**	\$768,992	\$231,687	-	\$324,001	\$382,405	-	-	-	-	-
District's covered payroll	\$1,171,862	\$1,101,945	\$1,017,811	\$984,043	\$990,076	\$1,046,414	\$1,022,877	\$991,225	\$964,737	\$893,541
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.5%	18.3%	27.2%	25.9%	32.1%	7.04%	6.58%	3.45%	3.16%	3.29%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%

** 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.

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$238,826	\$ 219,067	\$ 202,341	\$ 190,707	\$ 189,526	\$ 197,542	\$ 188,065	\$ 175,911	\$ 162,991	\$ 148,337
Contributions in relation to the contractually required contributions	<u>\$(238,826)</u>	<u>\$(219,067)</u>	<u>\$(202,341)</u>	<u>\$(190,707)</u>	<u>\$(189,526)</u>	<u>\$(197,542)</u>	<u>\$(188,065)</u>	<u>\$(175,911)</u>	<u>\$(162,991)</u>	<u>\$(148,337)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,171,862	\$1,101,945	\$1,017,811	\$984,043	\$990,076	\$1,046,414	\$1,022,877	\$991,225	\$964,737	\$893,541
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.14%	18.88%	18.39%	17.75%	16.89%	15.09%

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net OPEB liability (asset)	0.0110%	0.0113%	0.0106%	0.0112%	0.0117%	0.0129%	0.0129%	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$89,935	\$97,779	\$100,840	\$125,640	\$158,670	\$168,245	\$166,781	-	-	-
District's covered payroll	\$1,171,862	\$1,101,945	\$1,017,811	\$984,043	\$990,076	\$1,046,414	\$1,022,877	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.68%	9.87%	9.91%	12.76%	16.03%	16.08%	16.31%	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.71%	-	-	-

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 11,953	\$ 11,240	\$ 10,382	\$ 10,037	\$ 10,099	\$ 10,673	\$ 10,433	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(11,953)</u>	<u>\$(11,240)</u>	<u>\$(10,382)</u>	<u>\$(10,037)</u>	<u>\$(10,099)</u>	<u>\$(10,673)</u>	<u>\$(10,433)</u>	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
District's covered payroll	\$1,171,862	\$1,101,945	\$1,017,811	\$984,043	\$990,076	\$1,046,414	\$1,022,877	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption – Debt Service Fund

Bond Redemption Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

Capital Reserve Capital Project

Capital Project Fund – used to accumulate and expend resources for capital projects, vehicles and equipment.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are assigned to expenditures for specified purposes.

Food Service Fund

This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Student Activity Fund

This fund accounts for the revenues and expenditures overseen by the District to support clubs, organizations and District activity.

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2023

	<u>Special Revenue Funds</u>		Total Non-Major Governmental Funds
	<u>Food Service</u>	<u>Student Activity</u>	
<u>ASSETS</u>			
Cash	19,564	211,930	231,494
Inventories	1,357	-	1,357
Accounts Receivable	3,786	-	3,786
<u>Total Assets</u>	<u>24,707</u>	<u>211,930</u>	<u>236,637</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	7,220	7,220
Accrued Salaries	2,102	-	2,102
Due To Other Funds	-	-	-
Deposits	-	-	-
<u>Total Liabilities</u>	<u>2,102</u>	<u>7,220</u>	<u>9,322</u>
 <u>Fund Balances:</u>			
Nonspendable			
Inventories	1,357	-	1,357
Restricted:			
Food Service	21,248	-	21,248
Assigned			
Student Activity	-	204,710	204,710
Unassigned	-	-	-
<u>Total Fund Balances</u>	<u>22,605</u>	<u>204,710</u>	<u>227,315</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>24,707</u>	<u>211,930</u>	<u>236,637</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		Total
	<u>Food Service</u>	<u>Student Activity</u>	<u>Non-Major Governmental Funds</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Sources	17,758	122,560	140,318
State Aid	700	-	700
Federal Aid	<u>36,853</u>	-	<u>36,853</u>
<u>Total Revenues</u>	<u>55,311</u>	<u>122,560</u>	<u>177,871</u>
<u>EXPENDITURES</u>			
Instruction	-	-	-
Student Support	-	151,907	151,907
Food Service	<u>97,996</u>	-	<u>97,996</u>
<u>Total Expenditures</u>	<u>97,996</u>	<u>151,907</u>	<u>249,903</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(42,685)	(29,347)	(72,032)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>35,201</u>	-	<u>35,201</u>
<u>NET CHANGE IN FUND BALANCES</u>	(7,484)	(29,347)	(36,831)
<u>FUND BALANCES, Beginning</u>	<u>30,089</u>	<u>234,057</u>	<u>264,146</u>
<u>FUND BALANCES, Ending</u>	<u>22,605</u>	<u>204,710</u>	<u>227,315</u>

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 BOND REDEMPTION - DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	604,450	615,643	11,193
Specific Ownership Taxes	-	-	-
Other Local Sources	500	830	330
Earnings on Investments	-	-	-
<u>Total Revenues</u>	<u>604,950</u>	<u>616,473</u>	<u>11,523</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	365,000	306,325	58,675
Interest	300,000	274,052	25,948
Other Fees	-	-	-
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>665,000</u>	<u>580,377</u>	<u>84,623</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(60,050)</u>	 <u>36,096</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 <u>(60,050)</u>	 <u>36,096</u>	
 <u>FUND BALANCES, July 1</u>	 <u>557,789</u>	 <u>557,790</u>	
 <u>FUND BALANCES, June 30</u>	 <u>497,739</u>	 <u>593,886</u>	

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 CAPITAL RESERVE CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	2,000	4,007	2,007
Other Local Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>2,000</u>	<u>4,007</u>	<u>2,007</u>
<u>EXPENDITURES</u>			
Land and Sites	-	-	-
Building	7,000	58,275	(51,275)
Equipment	15,000	-	15,000
Transportation Equipment	-	-	-
Other	-	-	-
Appropriated Reserves	<u>790,966</u>	<u>-</u>	<u>790,966</u>
<u>Total Expenditures</u>	<u>812,966</u>	<u>58,275</u>	<u>754,691</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(810,966)</u>	<u>(54,268)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>22,000</u>	<u>22,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(788,966)</u>	<u>(32,268)</u>	
<u>FUND BALANCES, July 1</u>	<u>788,966</u>	<u>788,633</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>756,365</u>	

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	24,600	17,758	(6,842)
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	750	700	(50)
Other	-	-	-
<u>Federal Sources</u>			
School Lunches	23,000	22,333	(667)
Other	6,456	12,107	5,651
Commodities	49	2,413	2,364
<u>Total Revenues</u>	<u>54,855</u>	<u>55,311</u>	<u>456</u>
<u>EXPENDITURES</u>			
Salaries	43,631	35,529	8,102
Employee Benefits	19,850	16,827	3,023
Purchased Services – Professional	1,000	-	1,000
Purchased Services – Property	800	-	800
Purchased Services - Other	750	83	667
Food Purchases	37,000	37,985	(985)
Capital Outlay	-	-	-
Commodities	6,500	2,413	4,087
Non-Food Supplies	3,250	5,159	(1,909)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>112,781</u>	<u>97,996</u>	<u>14,785</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(57,926)	(42,685)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	27,837	35,201	7,364
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(30,089)	(7,484)	
<u>FUND BALANCE, July 1</u>	30,089	30,089	
<u>FUND BALANCE, June 30</u>	-	22,605	

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

CHEYENNE COUNTY SCHOOL DISTRICT R-1
 STUDENT ACTIVITY – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Local Sources	<u>120,000</u>	<u>122,560</u>	<u>2,560</u>
<u>Total Revenues</u>	<u>120,000</u>	<u>122,560</u>	<u>2,560</u>
<u>EXPENDITURES</u>			
Instruction	-	-	-
Student Support	<u>215,000</u>	<u>151,907</u>	<u>63,093</u>
<u>Total Expenditures</u>	<u>215,000</u>	<u>151,907</u>	<u>63,093</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(95,000)</u>	<u>(29,347)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	<u>(95,000)</u>	<u>(29,347)</u>	
<u>FUND BALANCE, July 1</u>	<u>234,056</u>	<u>234,057</u>	
<u>FUND BALANCE, June 30</u>	<u>139,056</u>	<u>204,710</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 0510 - Kit Carson R-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
Governmental					
04 General Fund	2,284,673		2,570,297	3,629,684	2,225,285
12 Rock Mgmt Sub-Fund of General Fund	0		0	0	0
19 Colorado Preschool Program Fund	12,911		118,262	95,401	34,772
Sub-Total	2,297,584		2,688,559	2,725,085	2,260,058
11 Charter School Fund	0		0	0	0
20 Special Revenue Fund	0		0	0	0
01 Supplemental Cap Const. Tech. Main Fund	0		0	0	0
67 Total Program Reserve Fund	0		0	0	0
21 Food Service-Spec. Revenue Fund	30,085		90,512	97,997	22,605
22 Govt. Designated-Purpose Grants Fund	0		0	0	0
23 Pupil Activity Special Revenue Fund	234,057		122,560	151,907	204,710
25 Transportation Fund	0		0	0	0
31 Bond Redemption Fund	557,790		616,474	580,378	593,886
39 Certificate of Participation (COP) Debt Service Fund	0		0	0	0
41 Building Fund	0		0	0	0
42 Special Building Fund	0		0	0	0
43 Capital Reserve Capital Projects Fund	788,633		26,007	58,275	756,365
46 Supplemental Cap Const. Tech. Main Fund	0		0	0	0
Totals	3,968,153		3,544,117	3,814,642	3,837,623
Proprietary					
46 Other Enterprise Funds	0		0	0	0
47 Risk-Related Activity Fund	0		0	0	0
48 Other Internal Service Funds	0		0	0	0
Totals	0		0	0	0
Fiduciary					
49 Trust and Fiduciary Funds	0		0	0	0
50 Employee Trust Funds	0		0	0	0
51 Pension Funds	0		0	0	0
52 Other Activity Agency Fund	0		0	0	0
53 54 Permanent Fund	0		0	0	0
55 Other Funds	0		0	0	0
Totals	0		0	0	0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 0510 - Kit Carson R-1

Fiscal Year 2022-23

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,401,067	0	48,446	211,930	0	0	19,564	0	756,365	0	0	0	0	0	0	3,437,372
Cash with Fiscal Agent (8105)	0	0	0	0	0	0	0	589,736	0	0	0	0	0	0	0	589,736
Taxes Receivable (8121,8122)	13,603	0	0	0	0	0	0	9,228	0	0	0	0	0	0	0	22,831
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	0	0	0	1,950	0	0	0	0	0	0	0	0	1,950
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	1,836	0	0	0	0	0	0	0	0	1,836
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,357	0	0	0	0	0	0	0	0	1,357
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,414,670	0	48,446	211,930	0	0	24,707	598,964	756,365	0	0	0	0	0	0	4,055,082

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY

LIABILITIES

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Other Payables (7421-7423)	-11	0	4,574	7,220	0	0	0	0	0	0	0	0	0	0	0	11,783
Accrued Expenses (7461)	179,928	0	9,099	0	0	0	2,102	0	0	0	0	0	0	0	0	191,130
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7890)	9,468	0	0	0	0	0	0	5,078	0	0	0	0	0	0	0	14,546
Total Liabilities	189,384	0	13,674	7,220	0	0	2,102	5,078	0	0	0	0	0	0	0	217,459

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental										Proprietary										Fiduciary										
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Unexpended Fund Balance 6710	0	0	0	0	0	0	1,357	0	0	0	0	0	0	0	1,357	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,357
Retirement Fund Balance 6720	0	0	0	0	0	0	0	593,886	0	0	0	0	0	0	593,886	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	593,886
EBOR 3% Emergency Reserve 6721	81,000	0	0	0	0	0	21,248	0	0	0	0	0	0	0	102,248	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102,248
FARCR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	34,772	0	0	0	0	0	0	0	0	0	0	0	34,772	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,772
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	756,365	0	756,365	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	756,365
Assigned Fund Balance 6760	0	0	0	204,710	0	0	0	0	0	0	0	0	0	0	204,710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	204,710
Unassigned Fund Balance 6770	2,144,285	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,144,285
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,225,285	0	34,772	204,710	0	0	22,605	593,886	756,365	0	0	0	0	0	3,837,623	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,837,623	

Total Liabilities & Fund Equity	Governmental										Proprietary										Fiduciary									
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	2,414,670	0	48,446	211,930	0	0	24,707	598,964	756,365	0	0	0	0	4,055,682	2,414,670	0	48,446	211,930	0	0	0	24,707	598,964	756,365	0	0	0	0	4,055,682	

For Each Fund Type:
Do Assets=Liability+Fund Equity