

**CREEDE SCHOOL DISTRICT  
CREEDE, COLORADO**

**FINANCIAL STATEMENTS  
June 30, 2023**



**Wall,  
Smith,  
Bateman** Inc.  
Certified Public Accountants

**CREEDE SCHOOL DISTRICT**  
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**June 30, 2023**

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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Creede School District  
Creede, Colorado 81130

## *Opinions*

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

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

## *Basis for Opinions*

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

## *Responsibilities of Management for the Financial Statements*

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

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

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

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

**Certified Public Accountants**

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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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report 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 schedules and the Colorado School District Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

February 15, 2024

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

The discussion and analysis of the Creede School District’s (the District) financial performance provides a narrative overview of financial activities by the management of the District for the fiscal year. The reader is encouraged to consider the information presented here in conjunction with additional information presented in financial statements, notes to the basic financial statements, and other supplementary information to enhance their understanding of the District’s financial performance. The Creede School District utilizes a financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB).

**Financial Highlights**

<b>Fiscal Year Ended June 30, 2022</b>	<b>Fiscal Year Ended June 30, 2023</b>
<ul style="list-style-type: none"> <li>The District’s assets totaled over \$15.8 million. Capital assets totaled \$12.6 million following adjustment for accumulated depreciation.</li> </ul>	<ul style="list-style-type: none"> <li>The District’s assets totaled over \$15.4 million. Capital assets totaled \$12.2 million following adjustment for accumulated depreciation.</li> </ul>
<ul style="list-style-type: none"> <li>Long-term liabilities are made up of \$5.0 million of general obligation bonds; \$2.2 million in net pension and net OPEB liabilities; \$18.7 thousand of accrued interest and \$7.4 thousand of compensated absences.</li> </ul>	<ul style="list-style-type: none"> <li>Long-term liabilities are made up of \$4.6 million of general obligation bonds; \$2.9 million in net pension and net OPEB liabilities; \$17.5 thousand of accrued interest and \$7.4 thousand of compensated absences.</li> </ul>
<ul style="list-style-type: none"> <li>The District had \$2.3 million in expenses related to governmental activities. Total revenues were adequate to provide for these activities.</li> </ul>	<ul style="list-style-type: none"> <li>The District had \$3.0 million in expenses related to governmental activities. Total revenues were adequate to provide for these activities.</li> </ul>
<ul style="list-style-type: none"> <li>Program revenues consist of \$50.0 thousand of charges for services, \$610.0 thousand of operating grants and contributions, and \$0.0 of capital grants and contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Program revenues consist of \$115.0 thousand of charges for services, \$465.0 thousand of operating grants and contributions, and \$0.0 of capital grants and contributions.</li> </ul>
<ul style="list-style-type: none"> <li>General revenue of \$2.4 million includes taxes received of approximately 82.0 percent. State Equalization Entitlement made up approximately 17.9 percent. The remaining general revenues consisted of earnings on investments and other revenues.</li> </ul>	<ul style="list-style-type: none"> <li>General revenue of \$2.5 million includes taxes received of approximately 79.3 percent. State Equalization Entitlement made up approximately 17.9 percent. The remaining general revenues consisted of earnings on investments and other revenues.</li> </ul>

**Creede School District**  
*Management Discussion & Analysis*  
**For the Fiscal Year Ended June 30, 2023**

**Overview of the Financial Statements**

This annual report consists of the following parts:

- Management’s discussion and analysis (this section)
- Basic financial statements (district-wide and fund financial statements), including notes to the basic financial statements
- Required supplementary information
- Supplementary information
- CDE Compliance

The basic financial statements consist of two different types of statements which present different views of the District’s financial activities and the notes to the financial statements.

- District-wide financial statements – These financial statements provide information about the District’s overall financial status both short-term (the recently completed fiscal year) and long-term. The government-wide statements include the Statement of Net Position and Statement of Activities.
- Fund financial statements – These financial statements focus on individual funds of the District and report the District’s operations in more detail than the government-wide statements.
- The notes to the basic financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the District’s financial activities and position.

Required supplementary information consists of a budget to actual schedule for the General Fund and pension and other post-employment information.

The supplementary information further explain and support the financial statements with combining schedules for non-major funds and comparisons of the District’s budget to actual amounts for the year.

The major features of the District’s financial statements, including the portion of the District’s activities reported and the type of information contained is shown in Table 1.

CDE compliance information includes the Colorado School Districts Auditor’s Integrity Report.

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

<b>Table 1</b>		
<b>Major Features of the District-wide and Fund Financial Statements</b>		
	District-wide Statements	Governmental Fund Financial Statements
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> <li>• Statement of revenues, expenditures, and changes in fund balances-budget and actual</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year, or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless when cash is received or paid	Revenues for which cash is received during, or soon after the end of, the year; expenditures when goods or services have been received and the related liability is due and payable

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two government-wide statements report the District’s net position (Statement of Net Position) and how it has changed (Statement of Activities) during the fiscal year. Net position, which is the difference between the District’s assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the District’s overall financial position.

Increases or decreases in the District’s net position are indicators of whether its financial position is improving or deteriorating, respectively. The District’s overall financial position, including the District’s property tax base and the condition of its school buildings and other facilities, should also be considered when assessing the fiscal health of the organization.

The statement of activities presents information showing how the District’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued salaries).

**Creede School District**  
*Management Discussion & Analysis*  
**For the Fiscal Year Ended June 30, 2023**

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District does not have any business-type activities. Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Creede School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Some funds are required by state law and by bond covenants
- The District establishes other funds to control and manage money for particular purposes (such as re-paying its long-term debt) or to show that it is properly using certain revenues (such as grants and bond proceeds)

Governmental Funds: All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the future to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information following district funds statements explains the relationship (or differences) between them.

Creede School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the (1) general fund and (2) the bond redemption fund. The other two funds are consolidated and reported as Nonmajor funds, the detail of which is reported in the supplementary information section.

**Notes to the Financial Statements**

The notes provide additional information meaningful to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

**Creede School District**  
***Management Discussion & Analysis***  
**For the Fiscal Year Ended June 30, 2023**

**District-Wide Financial Analysis**

As noted above, net position may serve over time as a useful indicator of the District's financial position. As of the end of the most recently completed fiscal year, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows by over by over \$7.3 million. Of that amount, 97.7% represents the District's net investment in capital assets (land, buildings, equipment, etc.), 15.6% represents amounts that are subject to external restrictions on how they can be used (TABOR emergency reserve, debt service, etc.), and negative 13.3%, approximately \$975 thousand is available to fund the ongoing operations of the District.

The District's current assets exceed current liabilities in the current year, indicating an ability to meet immediate financial needs. However, the long-term perspective shown in the district-wide statements has changed in recent years due to the implementation of Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71. In addition during the year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which requires governments to report an additional liability on the face of the financial statements. The deferred outflows of resources increased by 148.1 thousand and the deferred inflows of resources decreased 706.7 thousand due to larger liability. The District's assets have decreased approximately 393.3 thousand due mainly to depreciation. The liabilities of the district increased due to increased Pension and OPEB obligations at end of fiscal year by 364.9 thousand. The District's total net position increased 96.5 thousand.

Table 2 provides condensed information regarding the District's assets, liabilities, deferred outflows and inflows of resources, and net position. As indicated previously, changes in net position can serve as an indicator that the District's financial situation is improving or deteriorating.

**Creede School District**  
*Management Discussion & Analysis*  
**For the Fiscal Year Ended June 30, 2023**

**Table 2**  
**Statement of Net Position**  
**June 30, 2023**  
**With Comparative Totals for June 30, 2022**  
**(In Thousands)**

	SY 2022	SY 2023
<b>Assets</b>		
Current Assets	\$ 3,223.3	\$ 3,255.4
Capital Assets, Net	12,580.8	12,155.5
<b>Assets</b>	15,804.1	15,410.8
<b>Deferred Outflows of Resources</b>	495.1	643.2
<b>Liabilities</b>		
Current Liabilities	630.8	632.7
Long-term Liabilities	7,223.0	7,586.0
<b>Liabilities</b>	7,853.8	8,218.7
<b>Deferred Inflows of Resources</b>	1,227.1	520.4
<b>Net Position</b>		
Invested in Cap Assets, Net	7,221.2	7,148.7
TABOR	67.0	70.0
BEST Capital Renewal Reserve	0	153.9
Debt Service	901.3	917.3
Food Service	0	0
Unrestricted	(971.2)	(975.2)
<b>Net Position as of June 30</b>	\$ 7,218.3	\$ 7,314.8

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Table 3**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**  
**With Comparative Totals For the Year Ended June 30, 2022**  
**(In Thousands)**

	SY 2022	SY 2023
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 46.9	\$ 115.0
Operating Grants and Contributions	610.0	465.3
Capital Grants and Contributions	0.0	0.0
General Revenues		
General Property Taxes	1,803.4	1,774.9
Specific Ownership Taxes	193.1	206.4
State Equalization	436.7	447.2
Other	7.1	73.9
<b>Total Revenues</b>	3,097.2	3,082.7
<b>Expenses</b>		
Instructional Program	1,209.8	1,585.2
Student Support Services	133.3	138.8
Instructional Staff Support Services	6.7	12.3
General Administration Support Services	141.0	200.5
School Administration Support Services	47.2	102.4
Business Supporting Services	67.3	124.7
Operations and Maintenance	187.6	252.3
Student Transportation	55.0	80.5
Central Support Services	164.1	169.9
Food Services	67.6	94.4
Interest on Long-term Debt	231.1	225.1
Net Pension Income*	0.0	0.0
Net OPEB Income*	0.0	0.0
<b>Total Expenses</b>	2,310.7	2,986.3
<b>Change in Net Position</b>	786.5	96.5
<b>Net Position, Beginning of the Year</b>	6,431.8	7,218.3
<b>Net Position, End of the Year</b>	\$ 7,218.3	\$ 7,314.8
*Items are allocated between expense categories in SY2023		

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$19,024.31 per funded student for fiscal year 2022-23. The funded pupil count was 89.5. The funded pupil count was up 1.2 from the previous year. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 4 reflects each program’s net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these programs.

<b>Table 4</b>				
<b>Net Cost of Governmental Activities (in thousands)</b>				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>SY 2022</b>	<b>SY 2023</b>	<b>SY 2022</b>	<b>SY 2023</b>
Instructional Program	\$1209.8	\$ 1585.2	\$-935.3	\$-1120.5
Students	133.3	138.8	40.9	-102.9
Instructional Supporting Services	6.7	12.3	94.4	-6.5
General Administration	141.0	200.5	-141.0	-200.5
School Administration	47.2	102.4	-47.2	-102.4
Business Supporting Services	67.3	124.7	-49.0	-105.1
Operations and Maintenance	187.6	252.3	-167.0	-252.3
Student Transportation	55.0	80.5	-49.9	-73.7
Central Support Services	164.1	169.9	-164.1	-169.9
Food Service	67.6	94.4	-4.5	-47.0
Interest and Fees	231.1	225.1	-231.1	-225.1
Pension and OPEB Amortization *	0.0	0.0	0.0	0.0
<b>Total</b>	<b>\$ 2,310.7</b>	<b>\$ 2,986.3</b>	<b>\$-1,653.8</b>	<b>\$-2,406.0</b>
*Items are allocated between expense categories in SY2023				

- The net cost of all governmental activities for fiscal year 2022-23 totaled \$2,406,033.
- Federal and state governments subsidized certain programs with grants and contributions amounting to \$465,280 for Year Ended June 30, 2023, compared to \$609,982 for Year Ended June 30, 2022.
- District and State taxpayers financed most of the District’s costs (\$2,430,935).
- This portion of governmental activities were financed with \$1,774,940 in property taxes, \$206,440 in specific ownership taxes, \$2,312 in other taxes, \$447,243 in state aid (equalization) based on the statewide formula for per pupil funding, and \$71,629 in investment earnings and other miscellaneous revenues not pertaining specifically to a program. By comparison, for Year Ended June 30, 2022, governmental activities was financed with \$1,803,365 in property taxes, \$193,138 in specific ownership taxes, \$436,668 in state aid, and \$3,204 in investment earnings.

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Financial Analysis of the District’s Funds**

District’s funds are accounted for using the modified accrual basis of accounting. All governmental funds, for the Year Ended June 30, 2023, had total revenues and transfers of \$3,139,621. By comparison, for the Year Ended June 30, 2022, governmental funds had total revenues and transfers of \$3,157,834. The change in the District’s Net Position was an increase of \$29,741.

**General Fund Budgetary Highlights**

The District preapproves a budget in June based on enrollment projections for the upcoming school year. At that time the District budgeted expenditures of \$2,286.4 million. A final budget was adopted in January based on District activity to date and expected for the rest of the fiscal year. The final budgeted expenditures were \$2,488.7 million. Actual expenditures for fiscal year 2023 were \$2,416.2, which was \$72.5 thousand under budget.

The fund balance as of June 30, 2023 was \$2,026.7 thousand, compared to \$2,000.5 thousand as of June 30, 2022.

**Capital Assets**

At the end of fiscal year 2023, the District had capital assets net of depreciation of \$12,155.5 thousand in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. This is a net decrease of \$425,312 from June 30, 2022 resulting from \$425,312 in depreciation expense.

<b>Table 5</b>		
<b>Capital Assets (Net of Accumulated Depreciation)</b>		
	6/30/2022	6/30/2022
<b>Governmental Activities:</b>		
Land and Sites	\$ 319,291	<b>\$ 319,291</b>
Buildings and Improvements	12,089,449	<b>11,718,456</b>
Equipment	112,051	<b>72,034</b>
Vehicles	59,974	<b>45,672</b>
Food Service	0	<b>0</b>
<b>Total</b>	<b>\$12,580,765</b>	<b>\$12,155,453</b>

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Long-Term Debt**

At fiscal year-end, the District had \$5,014.1 thousand in long-term debt. The previous year’s long-term debt totaled \$5,367.0 thousand.

<b>Table 6</b>				
<b>Changes in Long-term Debt</b>				
	<b>Balance 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2023</b>
<b>Governmental Activities:</b>				
2013 General Obligation Bonds	\$5,359,599	\$ 0	\$352,867	<b>\$5,006,732</b>
Compensated Absences	7,398	0	0	<b>7,398</b>
<b>Total</b>	<b>\$5,366,997</b>	<b>\$ 0</b>	<b>\$352,867</b>	<b>\$5,014,130</b>

**Factors Bearing on the District’s Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its financial health in the future.

- The funded pupil count trend has been holding steady overall. The FTE pupil count for 2023-24 is 95, 2022-23 is 86, 2021-22 was 78, 2020-21 was 81, and 2019-20 was 81.
- The District is actively engaged in pursuing grants, donations, and other fund raising activities to increase general fund revenue.
- We are in the process of revitalizing our CTE program which should once again assist in maintaining secondary enrollment and bringing funds into the district

**Contacting the District’s Financial Management**

This financial report is designed to provide the District’s citizens, taxpayers, customers, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent or Chief Financial Officer, Creede School District, PO Box 429, Creede, Colorado 81130.

**CREEDE SCHOOL DISTRICT**  
**BASIC FINANCIAL STATEMENTS**

**CREEDE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 3,135,027
Due from Other Governments	43,955
Property Tax Receivable	75,543
Inventory	839
<b>Capital Assets</b>	
Capital Assets not being depreciated	319,291
Capital Assets, net of accumulated depreciation	11,836,162
<b>TOTAL ASSETS</b>	<b>15,410,817</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	620,344
OPEB	22,815
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>643,159</b>
 <b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	35,057
Accrued Salaries and Benefits	197,929
Unearned Grant Revenue	14,639
Accrued Interest Payable	17,473
General Obligation Bonds	367,645
<b>Long-term Liabilities</b>	
General Obligation Bonds	4,639,087
Compensated Absences	7,398
Net Pension Liability	2,842,671
Net OPEB Liability	96,838
<b>TOTAL LIABILITIES</b>	<b>8,218,737</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	476,170
OPEB	44,269
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>520,439</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	7,148,721
Restricted for:	
TABOR	70,000
BEST Capital Renewal Reserve	153,922
Debt Service	917,319
Unrestricted	(975,162)
<b>TOTAL NET POSITION</b>	<b>\$ 7,314,800</b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**Fiscal Year Ended June 30, 2023**

Functions/Programs	Program Revenues			Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions		
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Instructional Program	\$ 1,585,248	\$ 93,957	\$ 370,755	\$ -	\$ (1,120,536)
Student Supporting Services	138,840	-	35,958	-	(102,882)
Instructional Staff Supporting Services	12,333	-	5,860	-	(6,473)
General Administration Supporting Services	200,545	-	-	-	(200,545)
School Administration Supporting Services	102,440	-	-	-	(102,440)
Business Supporting Services	124,717	-	19,665	-	(105,052)
Operations and Maintenance of Plant Services	252,344	-	-	-	(252,344)
Student Transportation Services	80,470	-	6,735	-	(73,735)
Central Supporting Services	169,882	-	-	-	(169,882)
Food Services	94,397	21,075	26,307	-	(47,015)
Interest on Long-term Debt	225,129	-	-	-	(225,129)
<b>Total Primary Government</b>	<b>\$ 2,986,345</b>	<b>\$ 115,032</b>	<b>\$ 465,280</b>	<b>\$ -</b>	<b>(2,406,033.00)</b>
<b>General Revenues</b>					
Taxes:					
General Property Taxes					1,774,940
Specific Ownership Taxes					206,440
Other Taxes					2,312
State Equalization					447,243
Interest Income					71,629
Miscellaneous					-
<b>Total General Revenues</b>					<b>2,502,564</b>
<b>Change in Net Position</b>					<b>96,531</b>
<b>Net Position, Beginning of Year</b>					<b>7,218,269</b>
<b>Net Position, End of Year</b>					<b>\$ 7,314,800</b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2023**

	<b>GENERAL FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,191,156	\$ 901,567	\$ 42,304	\$ 3,135,027
Due From Other Governments	41,283	-	2,672	43,955
Property Tax Receivable	50,928	24,615	-	75,543
Inventory	-	-	839	839
<b>TOTAL ASSETS</b>	<b>\$ 2,283,367</b>	<b>\$ 926,182</b>	<b>\$ 45,815</b>	<b>\$ 3,255,364</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 35,057	\$ -	\$ -	\$ 35,057
Accrued Salaries and Benefits	197,929	-	-	197,929
Unearned Grant Revenue	5,476	-	9,163	14,639
<b>TOTAL LIABILITIES</b>	<b>238,462</b>	<b>-</b>	<b>9,163</b>	<b>247,625</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Tax	18,172	8,783	-	26,955
<b>FUND BALANCE</b>				
Nonspendable: Inventory	-	-	839	839
Restricted	223,922	917,399	-	1,141,321
Committed	-	-	40,772	40,772
Assigned	66,000	-	-	66,000
Unassigned	1,736,811	-	(4,959)	1,731,852
<b>TOTAL FUND BALANCE</b>	<b>2,026,733</b>	<b>917,399</b>	<b>36,652</b>	<b>2,980,784</b>
<b>INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 2,283,367</b>	<b>\$ 926,182</b>	<b>\$ 45,815</b>	<b>\$ 3,255,364</b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2023**

<b>Total governmental fund balances</b>		\$ 2,980,784
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		12,155,453
Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is shown as not available in the fund financial statements.		26,955
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		643,159
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.		
General Obligation Bonds	\$(5,006,732)	
Accrued Interest Payable	(17,473)	
Compensated Absences	(7,398)	
		(5,031,603)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(2,939,509)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		(520,439)
<b>Net position of governmental activities</b>		<b>\$ 7,314,800</b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2023**

	<b>GENERAL FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Local Sources	\$ 1,483,924	\$ 595,357	\$ 31,628	\$ 2,110,909
Intermediate Sources	91,047	-	9,136	100,183
State Sources	622,121	-	1,052	623,173
Federal Sources	279,810	-	25,546	305,356
<b>TOTAL REVENUES</b>	<b>2,476,902</b>	<b>595,357</b>	<b>67,362</b>	<b>3,139,621</b>
<b>EXPENDITURES</b>				
Instructional Program	1,320,934	-	15,754	1,336,688
Student Supporting Services	148,277	-	-	148,277
Instructional Staff Supporting Services	10,333	-	-	10,333
General Administration Supporting Services	208,658	-	-	208,658
School Administration Supporting Services	108,533	-	-	108,533
Business Supporting Services	132,784	-	-	132,784
Operations and Maintenance of Plant Services	257,796	-	-	257,796
Student Transportation Services	55,386	-	-	55,386
Central Supporting Services	173,494	-	-	173,494
Food Services	-	-	98,704	98,704
Debt Service	-	579,227	-	579,227
<b>TOTAL EXPENDITURES</b>	<b>2,416,195</b>	<b>579,227</b>	<b>114,458</b>	<b>3,109,880</b>
Excess (deficiency) of revenues over expenditures	60,707	16,130	(47,096)	29,741
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	34,500	34,500
Transfers to Other Funds	(34,500)	-	-	(34,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(34,500)</b>	<b>-</b>	<b>34,500</b>	<b>-</b>
Net Change in Fund Balance	26,207	16,130	(12,596)	29,741
<b>Fund Balance, Beginning of Year</b>	<b>2,000,526</b>	<b>901,269</b>	<b>49,248</b>	<b>2,951,043</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,026,733</b>	<b>\$ 917,399</b>	<b>\$ 36,652</b>	<b>\$ 2,980,784</b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**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**

<b>Net change in fund balances - total governmental funds</b>	\$	29,741
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in the capital assets in the current period.</p>		
Fixed asset additions	\$ -	
Depreciation expense	<u>(425,312)</u>	(425,312)
<p>Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is shown as not available in the fund financial statements.</p>		
		13,895
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Principal payment on general obligation bonds		352,867
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.</p>		
Accrued Interest Payable	1,231	
Compensated Absences	<u>-</u>	1,231
<p>Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expense.</p>		
		<u>124,109</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>96,531</u></u></b>

The accompanying notes are an integral part of this financial statement.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Creede School District (the District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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 Creede School District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources 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.

**REPORTING ENTITY**

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statement 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 United States of America, these basis financial statements present the District (the primary government) and its component units.

**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 District does not have any business-type activities.

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 are reported as separate columns in the fund financial statements. The District does not have any proprietary or fiduciary funds.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**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 governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the statement of net position, 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.

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.

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 to collect within 60 days after year-end.

Property taxes are reported as receivables and deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available. Specific ownership taxes are allocated by the County Treasurer proportionate to the distribution of property taxes, and are recognized as revenue when distributed by the County to the District.

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.

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.

***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, deferred flows, 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:

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

- **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.
- **Bond Redemption Fund** - used to account for the collection of taxes and payment of bond obligations.

***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.

**ASSETS, LIABILITIES, DEFERRED FLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***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.

***Receivables***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer. 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 unavailable revenue, and are presented net of an allowance for uncollectible taxes.

Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

***Inventories***

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values. Inventories recorded in the Food Services Fund consist of purchased items and donated commodities.

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.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

***USDA Commodities***

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as expense.

***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 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.

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 (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

***Long Term Obligations***

In the government-wide financial statements, long term debt and other long-term obligations are reported as liabilities in the statement of net position. The District records long-term debt of governmental funds at the face value. General Obligation Bonds are serviced from property taxes and other revenues of the Debt Service Fund.

In the fund financial statements for governmental fund types, debt proceeds are reported as other financing sources and debt payments are reported as debt service expenditures.

***Compensated Absences***

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements.

***Unearned Grant Revenue***

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position and the balance sheet 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.

In addition to liabilities, the statement of financial position and the balance sheet 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.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

Certain amounts related to pensions and other post-employment benefits must be deferred.

***Pensions***

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

***Other Postemployment Benefits (OPEB)***

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

***Net Position***

*Net position* represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

***Fund Balance***

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent is expressed by the Board of Education.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

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

Fund Balance Classification by Fund:

	General Fund	Bond Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance				
Nonspendable: Inventory	\$ -	\$ -	\$ 839	\$ 839
Restricted:				
TABOR Emergency Reserve	70,000	-	-	70,000
BEST Renewal Reserve	153,922	-	-	153,922
Debt Service	-	917,399	-	917,399
Total Restricted	223,922	917,399	-	1,141,321
Committed:				
Food Service	-	-	-	-
Student Activities	-	-	40,772	40,772
Total Committed	-	-	40,772	40,772
Assigned:				
Subsequent Years Expenditure	66,000	-	-	66,000
Unassigned	1,736,811	-	(4,959)	1,731,852
Total Fund Balance	<u>\$ 2,026,733</u>	<u>\$ 917,399</u>	<u>\$ 36,652</u>	<u>\$ 2,980,784</u>

***Constitutional Amendment – TABOR Emergency Reserve***

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. On November 6, 2001 voters approved a ballot question which stated that the District is authorized to collect, retain, and expend all revenues including grants and other funds collected during 2000-01 budget year and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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 \$70,000 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.

***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.

***New Accounting Pronouncements***

During fiscal year 2023, the District adopted the provisions of GASB Statement No. 96. *Subscription-Based Information Technology Arrangement (SBITA)*, that establishes that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the District.

**NOTE 2 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 of the General Fund, Bond Redemption Fund, Food Service Fund, and the Pupil Activities Fund.

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6. Budgets for the General Fund, Food Service Fund, Bond Fund and Pupil Activities are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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.

***Stewardship***

Expenditures exceeded appropriations in the Bond Fund by \$8,549. This may be a violation of Colorado Revised Statutes 22-44-115(1).

The Food Service Fund had a deficit fund balance at June 30, 2023 of \$4,120. This deficit will be financed through future subsidies from the General Fund.

**NOTE 3 CASH AND CASH EQUIVALENTS**

A summary of cash on hand, deposits, and investments at June 30, 2023 were as follows:

Cash in Bank	\$ 961,511
Cash with Fiscal Agent	823,116
Cash Equivalents	1,084,021
Cash with County Treasurer	<u>266,379</u>
Total Cash and Deposits	<u><u>\$ 3,135,027</u></u>

***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.

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does have a deposit policy for custodial credit risk. As of year-end, \$643,081 of the District’s bank balance of \$984,465 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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***Cash Equivalents***

Cash equivalents are deposited with COLOTRUST, a money market investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the entities. Financial statements for COLOTRUST are available at [www.colotrust.com](http://www.colotrust.com). The total COLOTRUST investment was valued at \$1,084,012 at June 30, 2023 with a credit rating of AAAM by Standard & Poors.

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***Interfund Receivables and Payables***

Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be paid within the year. There were no interfund balances between funds at June 30, 2023.

***Interfund Transfers***

Interfund transfers for the year ended June 30, 2023, were as follows:

Transfer In	Transfer Out	Amount
Food Service Fund	General Fund	\$ 34,500

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations.

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**NOTE 5 CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 319,291	\$ -	\$ -	\$ 319,291
Total capital assets not being depreciated	319,291	-	-	319,291
Capital assets being depreciated				
Buildings and Improvements	14,662,835	-	-	14,662,835
Equipment	690,344	-	-	690,344
Vehicles	308,243	-	-	308,243
Food Service Equipment	151,599	-	-	151,599
Total capital assets being depreciated	15,813,021	-	-	15,813,021
Less accumulated depreciation for:				
Buildings and Improvements	2,573,386	370,993	-	2,944,379
Equipment	578,293	40,017	-	618,310
Vehicles	248,269	14,302	-	262,571
Food Service Equipment	151,599	-	-	151,599
Total accumulated depreciation	3,551,547	425,312	-	3,976,859
Total Capital Assets being depreciated, net	12,261,474	(425,312)	-	11,836,162
Governmental Activities, net	\$ 12,580,765	\$ (425,312)	\$ -	\$ 12,155,453

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

<i>Governmental activities:</i>	
Instructional Program	\$ 394,090
General Administration Supporting Services	2,000
Operations and Maintenance	2,122
Student Transportation Services	27,100
Total depreciation expense – governmental activities	<u>\$ 425,312</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, at June 30, 2023 are estimated to be \$197,929. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

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**NOTE 7 LONG-TERM DEBT - GENERAL OBLIGATION BONDS**

***Changes in Long-Term Debt***

Long-term liability balances for the year ended June 30, 2023, were as follows:

	Balance 6/30/2022	Additions	Retirements	Balance 6/30/2023	Current Portion
General Obligation Bonds	\$ 5,359,599	\$ -	\$ 352,867	\$ 5,006,732	\$ 367,645
Compensated Absences	7,398	-	-	7,398	-
	<u>\$ 5,366,997</u>	<u>\$ -</u>	<u>\$ 352,867</u>	<u>\$ 5,014,130</u>	<u>\$ 367,645</u>

***Series 2013 General Obligation Matching Money Bonds***

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$7,462,907 were used to match \$8,683,253 in State of Colorado - BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817% to be paid in full on December 1, 2033. The bonds are subject to redemption prior to maturity at the option of the District, in whole, but not in part at a redemption price equal to the principal amount thereof and a redemption premium of 3% of the principal amount redeemed, plus accrued interest to the redemption date.

The annual debt service for the General Obligation Bonds Payable is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	367,645	201,975	569,620
2025	383,041	186,256	569,297
2026	399,082	169,879	568,961
2027	415,795	152,816	568,611
2028	433,208	135,039	568,247
2029-2033	2,453,849	381,358	2,835,207
2034	554,112	11,603	565,715
	<u>\$ 5,006,732</u>	<u>\$ 1,238,926</u>	<u>\$ 6,245,658</u>

**NOTE 8 DEFINED BENEFIT PENSION PLAN**

***General Information about the Pension Plan***

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

*Benefits provided as of December 31, 2022.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

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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.

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

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

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

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

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

*Contributions provisions as of June 30, 2023.* Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

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	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).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$260,706 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 \$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 District's proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the District reported a liability of \$2,842,672 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

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Creede School District's proportionate share of the net position liability	\$ 2,842,672
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Creede School District	<u>828,383</u>
Total	<u><u>\$ 3,671,055</u></u>

At December 31, 2022, the District's proportion was 0.016%, which was a decrease of 0.002% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of (\$115,567) and revenue of \$70,640 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,903	\$ -
Net difference between projected and actual earnings on pension plan investments	381,876	-
Changes of assumptions or other inputs	50,353	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	28,475	476,169
Contributions subsequent to the measurement date	<u>132,737</u>	<u>-</u>
Total	<u><u>\$ 620,344</u></u>	<u><u>\$ 476,169</u></u>

\$132,737 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,	
2024	\$ (211,152)
2025	(101,295)
2026	101,765
2027	222,120
2028	-
Thereafter	-

*Actuarial assumptions.* The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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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 <sup>1</sup>	Financed by the AIR

<sup>1</sup> 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.

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

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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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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.
- 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), which commenced 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

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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 fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net 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 rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	<u>1% Decrease</u>	<u>Current</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 3,720,080</u>	<u>\$ 2,842,672</u>	<u>\$ 2,842,672</u>	<u>\$ 2,109,946</u>

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

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS**

***General Information about the OPEB Plan***

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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

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financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

***PERA Benefit Structure***

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

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 on behalf of benefit recipients not covered by Medicare Part A.

*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 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$13,048 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 District reported a liability of \$96,838 for its proportionate share of the net OPEB liability. The

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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

At December 31, 2022, the District proportion was 0.0119%, which was an increase of 0.00004% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023 the District recognized OPEB expense of (\$8,542). At June 30, 2023, District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 13	\$ 23,419
Net difference between projected and actual earnings on OPEB plan investments	5,915	-
Changes of assumptions or other inputs	1,556	10,688
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,688	10,163
Contributions subsequent to the measurement date	6,643	-
Total	\$ 22,815	\$ 44,270

\$6,643 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,	
2024	\$ (6,312)
2025	(10,109)
2026	(7,077)
2027	(1,470)
2028	(2,575)
Thereafter	(555)

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

**CREEDE SCHOOL DISTRICT**  
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**June 30, 2023**

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40 – 11.00%
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

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

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

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

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

Sample Age	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	
	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 Age	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	
	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.

The PERA benefit structure health care cost trend rates that were 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

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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	<u>100.00%</u>	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 94,097	\$ 96,838	\$ 99,820

*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.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

- 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 year, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 112,264	\$ 96,838	\$ 83,644

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

**NOTE 10 DEFINED CONTRIBUTION PENSION PLAN**

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. The District does not make matching contributions to this plan.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 11 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.

***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 General Fund.

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.

**NOTE 12 JOINT VENTURES AND RELATED PARTIES**

***San Luis Valley Board of Cooperative Educational Services (BOCES)***

Not reflected in the accompanying financial statements is the District's participation in the San Luis Valley 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. The 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 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 report with the Colorado State Auditor's Office.

***Creede Schools Endowment Foundation***

The Creede Schools Endowment Foundation was established to supplement or fund any program or educational activity of Creede School District. This is done primarily through scholarships to the students of the school. The District has two members on the Board. The Board has final authority for all budgeting and financing of the Endowment Foundation, which is a related party and not a joint venture. Complete separate financial statements may be obtained from the Foundation. As of June 30, 2023, the Foundation had cash and investment assets of \$296,791.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

***Whitney Newton Trust***

The Whitney Newton Trust was established in 1969 to supplement or fund any program or educational activity of Creede School District. The custodian of the trust is Mineral County. The County Commissioners have authority over the Whitney Newton Trust Funds. Complete separate financial statements may be obtained from Mineral County. As of June 30, 2023, the Trust had cash and investment assets of \$847,747.

**NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

## **CREEDE SCHOOL DISTRICT**

### **REQUIRED SUPPLEMENTARY INFORMATION**

A budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liabilities are required to supplement the basic financial statements.

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 1,504,425	\$ 1,448,853	\$ 1,483,924	\$ 35,071
Intermediate Sources	60	90,607	91,047	440
State Sources	635,311	667,780	622,121	(45,659)
Federal Sources	199,260	289,515	279,810	(9,705)
<b>TOTAL REVENUES</b>	<b>2,339,056</b>	<b>2,496,755</b>	<b>2,476,902</b>	<b>(19,853)</b>
<b>EXPENDITURES</b>				
Instructional Program	1,179,532	1,326,936	1,320,934	6,002
Student Supporting Services	147,456	149,725	148,277	1,448
Instructional Staff Supporting Services	300	10,800	10,333	467
General Administration Supporting Services	216,090	221,090	208,658	12,432
School Administration Supporting Services	94,617	110,027	108,533	1,494
Business Supporting Services	131,594	133,066	132,784	282
Operations and Maintenance of Plant Services	284,506	282,506	257,796	24,710
Student Transportation Services	53,026	63,381	55,386	7,995
Central Supporting Services	179,242	191,148	173,494	17,654
Facilities Acquisition and Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,286,363</b>	<b>2,488,679</b>	<b>2,416,195</b>	<b>72,484</b>
Excess (deficiency) of revenues over expenditures	52,693	8,076	60,707	52,631
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(76,000)	(76,000)	(34,500)	41,500
<b>TOTAL OTHER SOURCES (USES)</b>	<b>(76,000)</b>	<b>(76,000)</b>	<b>(34,500)</b>	<b>41,500</b>
Net change in Fund Balance	(23,307)	(67,924)	26,207	94,131
<b>Fund Balance, Beginning of Year</b>	<b>1,876,169</b>	<b>1,876,169</b>	<b>2,000,526</b>	<b>124,357</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,852,862</b>	<b>\$ 1,808,245</b>	<b>\$ 2,026,733</b>	<b>\$ 218,488</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.  
This schedule is presented on the GAAP basis.

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.015611%	0.018105%	0.021100%	0.020300%	0.019100%	0.018300%	0.016900%	0.017600%	0.020100%	0.022200%
District's proportionate share of the net pension liability (asset)	\$2,842,672	\$2,106,899	\$3,183,522	\$3,026,342	\$3,391,085	\$5,929,694	\$5,044,426	\$2,690,030	\$2,724,169	\$2,837,254
State's proportionate share of the net pension liability (asset) associated with the District	828,383	241,529	-	383,852	463,685	-	-	-	-	-
<b>Total</b>	<b>\$3,671,055</b>	<b>\$2,348,428</b>	<b>\$3,183,522</b>	<b>\$3,410,194</b>	<b>\$3,854,770</b>	<b>\$5,929,694</b>	<b>\$5,044,426</b>	<b>\$2,690,030</b>	<b>\$2,724,169</b>	<b>\$2,837,254</b>
District's covered payroll	\$1,203,555	\$1,131,479	\$1,127,015	\$1,190,582	\$1,052,910	\$846,051	\$760,710	\$748,556	\$789,631	\$884,326
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.2%	186.2%	282.5%	254.2%	322.1%	700.9%	663.1%	359.4%	345.0%	320.8%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

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

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 260,706	\$ 227,711	\$ 217,575	\$ 228,183	\$ 222,917	\$ 174,560	\$ 145,980	\$ 132,862	\$ 133,259	\$ 141,329
Contributions in relation to the contractually required contribution	(260,706)	(227,711)	(217,575)	(228,183)	(222,917)	(174,560)	(145,980)	(132,862)	(133,259)	(141,329)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,279,220	\$ 1,145,422	\$ 1,094,444	\$ 1,177,443	\$ 1,165,272	\$ 923,810	\$ 793,941	\$ 749,366	\$ 789,631	\$ 884,326
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%	18.90%	18.39%	17.73%	16.88%	15.98%

See Notes to the Required Supplementary Information.

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**PERA HEALTHCARE TRUST FUND**

**For the Years Ended June 30,**

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.011860%	0.011821%	0.012200%	0.013200%	0.012400%	0.010400%	0.009600%
District's proportionate share of the net OPEB liability (asset)	\$ 96,838	\$ 101,932	\$ 115,804	\$ 148,830	\$ 169,364	\$ 135,409	\$ 124,860
District's covered payroll	\$ 1,203,555	\$ 1,131,479	\$ 1,127,015	\$ 1,190,582	\$ 1,052,910	\$ 846,051	\$ 760,710
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.0%	9.0%	10.3%	12.5%	16.1%	16.0%	15.7%
Plan fiduciary net position as a percentage of the total OPEB liability	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

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

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA HEALTHCARE TRUST FUND**

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 13,048	\$ 11,683	\$ 11,163	\$ 12,010	\$ 11,866	\$ 9,423	\$ 8,098
Contributions in relation to the contractually required contribution	(13,048)	(11,683)	(11,163)	(12,010)	(11,866)	(9,423)	(8,098)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,279,220	\$ 1,145,422	\$ 1,094,444	\$ 1,177,443	\$ 1,165,272	\$ 923,810	\$ 793,941
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2023**

**NOTE 1 NET PENSION LIABILITY**

Changes in assumptions or other inputs effective for the December 31<sup>st</sup> measurement period for the following years ended:

*2022*

- Required contribution increased from 10.50% to 11.00% for eligible employees.

*2021*

- Required contribution increased from 10.00% to 10.50% for eligible employees.
- AI cap decreased from 1.25% to 1.00%

*2020*

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumptions were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

*2019* The post-retirement benefit increases to the PERA benefit structure for those hired prior to 1/1/07 was changed from 0% through 2019 and 1.5% compounded annually thereafter, to 1.25%.

*2018* The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.78%

*2017* The discount rate was lowered from 5.26% to 4.78%.

*2016*

- The price inflation assumption was lowered from 2.80% to 2.40%.
- The long-term expected rate of return assumption was lowered from 7.50% to 7.25% per year.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2023**

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

2015 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

Changes in assumptions or other inputs effective for the December 31<sup>st</sup> measurement period for the following years ended:

2022

- The Medicare Part A premium increased from \$471 to \$499 per month.
- 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.
- 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 total OPEB liability.

2021

- The Medicare Part A premium increased from \$458 to \$471 per month.
- The health care cost trend rates from Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

2020

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent per year to 0.70 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumptions for the School Division were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions for the School Division were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:

**CREEDE SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2023**

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

*2019*

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

*2018* There were no changes in assumptions or other inputs effective this measurement period compared to the prior year.

*2017* The Medicare Part A premiums were raised from 3.00% to 3.25%, as well as the gradual percentage rose from 4.25% in 2023 to 5.00% in 2025.

**CREEDE SCHOOL DISTRICT**  
**SUPPLEMENTARY INFORMATION**

The combining and individual fund financial schedules represent the second level of financial reporting for the District. These schedules present more detailed information for the individual funds in a format that segregates information by fund type.

**CREEDE SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Pupil Activity Fund** – Used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenues from pupils, gate receipts, and other fundraising activities.

**Food Service Fund** – Used to account for the District's food service program. Revenues are derived from federal and state grants, District contributions, and student and adult charges.

**CREEDE SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2023**

	<b>SPECIAL REVENUE FUNDS</b>		<b>TOTAL NONMAJOR FUNDS</b>
	<b>PUPIL ACTIVITY FUND</b>	<b>FOOD SERVICE FUND</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 40,772	\$ 1,532	\$ 42,304
Due from Other Governments	-	2,672	2,672
Inventory	-	839	839
<b>TOTAL ASSETS</b>	<b>\$ 40,772</b>	<b>\$ 5,043</b>	<b>\$ 45,815</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Unearned Grant Revenue	-	9,163	9,163
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>9,163</b>	<b>9,163</b>
<b>FUND BALANCE</b>			
Nonspendable Fund Balance	-	839	839
Committed	40,772	-	40,772
Unassigned	-	(4,959)	(4,959)
<b>TOTAL FUND BALANCE</b>	<b>40,772</b>	<b>(4,120)</b>	<b>36,652</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 40,772</b>	<b>\$ 5,043</b>	<b>\$ 45,815</b>

**CREEDE SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2023**

	<b>SPECIAL REVENUE FUNDS</b>		<b>TOTAL NONMAJOR FUNDS</b>
	<b>PUPIL ACTIVITY FUND</b>	<b>FOOD SERVICE FUND</b>	
<b>REVENUES</b>			
Local Sources	\$ 10,549	\$ 21,079	\$ 31,628
Intermediate Sources	9,136	-	9,136
State Sources	-	1,052	1,052
Federal Sources	-	25,546	25,546
<b>TOTAL REVENUES</b>	<b>19,685</b>	<b>47,677</b>	<b>67,362</b>
<b>EXPENDITURES</b>			
Instructional Program	15,754	-	15,754
Food Services	-	98,704	98,704
<b>TOTAL EXPENDITURES</b>	<b>15,754</b>	<b>98,704</b>	<b>114,458</b>
Excess (deficiency) of revenues over expenditures	3,931	(51,027)	(47,096)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	-	34,500	34,500
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>34,500</b>	<b>34,500</b>
Net Change in Fund Balance	3,931	(16,527)	(12,596)
<b>Fund Balance, Beginning of Year</b>	<b>36,841</b>	<b>12,407</b>	<b>49,248</b>
<b>Fund Balance, End of Year</b>	<b>\$ 40,772</b>	<b>\$ (4,120)</b>	<b>\$ 36,652</b>

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**PUPIL ACTIVITY FUND**  
**For the Year Ended June 30, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 5,700	\$ 5,700	\$ 10,549	\$ 4,849
Intermediate Sources	10,220	10,220	9,136	(1,084)
<b>TOTAL REVENUES</b>	<u>15,920</u>	<u>15,920</u>	<u>19,685</u>	<u>3,765</u>
<b>EXPENDITURES</b>				
Instructional Program	50,000	50,000	15,754	34,246
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>15,754</u>	<u>34,246</u>
Net Change in Fund Balance	(34,080)	(34,080)	3,931	38,011
<b>Fund Balance, Beginning of Year</b>	<u>37,464</u>	<u>37,466</u>	<u>36,841</u>	<u>(625)</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 3,384</u></u>	<u><u>\$ 3,386</u></u>	<u><u>\$ 40,772</u></u>	<u><u>\$ 37,386</u></u>

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 22,464	\$ 22,464	\$ 21,079	\$ (1,385)
State Sources	669	669	1,052	383
Federal Sources	24,438	47,745	25,546	(22,199)
<b>TOTAL REVENUES</b>	<u>47,571</u>	<u>70,878</u>	<u>47,677</u>	<u>(23,201)</u>
<b>EXPENDITURES</b>				
Supporting Services				
Food Services				
Salaries	47,500	47,500	45,956	1,544
Fringe Benefits	24,500	24,500	23,376	1,124
Purchased Professional and Technical Services	3,000	3,000	851	2,149
Supplies and Materials	45,996	71,578	28,483	43,095
Dues and Fees	50	50	-	50
Other	250	250	38	212
<b>TOTAL EXPENDITURES</b>	<u>121,296</u>	<u>146,878</u>	<u>98,704</u>	<u>48,174</u>
Excess (deficiency) of revenues over expenditures	<u>(73,725)</u>	<u>(76,000)</u>	<u>(51,027)</u>	<u>24,973</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from Other Funds	<u>76,000</u>	<u>76,000</u>	<u>34,500</u>	<u>(41,500)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>76,000</u>	<u>76,000</u>	<u>34,500</u>	<u>(41,500)</u>
Net Change in Fund Balance	2,275	-	(16,527)	(16,527)
<b>Fund Balance, Beginning of Year</b>	<u>(2,200)</u>	<u>12,407</u>	<u>12,407</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 75</u>	<u>\$ 12,407</u>	<u>\$ (4,120)</u>	<u>\$ (16,527)</u>

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BOND REDEMPTION FUND**  
**For the Year Ended June 30, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 569,942	\$ 569,942	\$ 595,357	\$ 25,415
<b>TOTAL REVENUES</b>	<u>569,942</u>	<u>569,942</u>	<u>595,357</u>	<u>25,415</u>
<b>EXPENDITURES</b>				
Debt Service	<u>570,678</u>	<u>570,678</u>	<u>579,227</u>	<u>(8,549)</u>
<b>TOTAL EXPENDITURES</b>	<u>570,678</u>	<u>570,678</u>	<u>579,227</u>	<u>(8,549)</u>
Net Change in Fund Balance	(736)	(736)	16,130	16,866
<b>Fund Balance, Beginning of Year</b>	<u>767,760</u>	<u>767,760</u>	<u>901,269</u>	<u>133,509</u>
<b>Fund Balance, End of Year</b>	<u>\$ 767,024</u>	<u>\$ 767,024</u>	<u>\$ 917,399</u>	<u>\$ 150,375</u>

**CREEDE SCHOOL DISTRICT**

**CDE COMPLIANCE SECTION**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2010 - Creede School District  
 Fiscal Year 2022-23  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	2,000,524		2,442,403	2,416,195		2,026,732
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>2,000,524</b>		<b>2,442,403</b>	<b>2,416,195</b>		<b>2,026,732</b>
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	12,407		82,176	98,705		-4,122
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	36,842		19,685	15,754		40,772
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	901,268		595,356	579,226		917,398
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>2,951,041</b>		<b>3,139,620</b>	<b>3,109,880</b>		<b>2,980,781</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

FINAL