

cPa DIXON, WALLER & CO., INC.

CROWLEY COUNTY SCHOOL DISTRICT

NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2023

DIXON, WALLER & CO., INC.

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2023

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2023

BOARD OF EDUCATION

| | |
|---------------------|----------------|
| Chris Tuma | President |
| Kaci Mason | Vice-President |
| Amber Lovato | Secretary |
| Marty Martinez, Jr. | Treasurer |
| Jordan King | Member |
| Kristy Sullivan | Member |
| Jim Trainor | Member |

SCHOOL OFFICIALS

| | |
|--------------|----------------|
| Juan Ramirez | Superintendent |
|--------------|----------------|

FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education
Crowley County School
District Number RE-1-J
Ordway, Colorado 81063

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crowley County School District Number RE-1-J, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crowley County School District Number RE-1-J, 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crowley County School District Number RE-1-J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Crowley County School District Number RE-1-J's basic financial statements. The accompanying other schedules, state required schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules, state required schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023 on our consideration of Crowley County School District Number RE-1-J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crowley County School District Number RE-1-J's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crowley County School District Number RE-1-J's internal control over financial reporting and compliance.



October 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Management of Crowley County School District RE 1-J offers readers the narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The focus of the information is on the primary government (general) fund.

The District has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments. The District has included comparisons of the current year to the prior year for the purposes of providing comparative information.

Financial Highlights

- In governmental activities, The District's assets and flows exceeded its liabilities and flows at the close of the fiscal year of \$3,376,861. GASB Statement No. 67 and 68 affects the financial statements of all Colorado Public Employee Retirement Association (PERA)-affiliated employers. In these statements, PERA-affiliated employers are required to state their employee's retirement liability which was \$6,981,838 for the District as of June 30, 2023. Without the PERA liability, our assets would have exceeded its liabilities by \$9,180,099.
- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$5,189,952 which was an increase of \$322,039 from the previous year.
- The long-term debt obligation of the District has decreased over the last few fiscal years. A note for the matching portion of the Building Excellent Schools Today (BEST) grant will mature August 2023 with a remaining balance of \$19,387.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. A comparison to the prior year's activity is normally provided in this document. The Crowley County School District's basic financial statements are comprised of three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The financial statements provided are designed to provide readers with information about the School District using accounting methods similar to those used by the private sector.

The statement of net position includes all of the District's assets and liabilities. The difference between the two is reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents the current fiscal year revenues and expenses to show how the net position of the district changed during the year. In the statement of activities, changes in net position are recorded when the event occurs. This could mean that information may be reported for revenues and expenditures that will result in cash flow differences in future fiscal years.

Governmental activities:

Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration, food service and pupil activities. Property taxes and state equalization revenue finances most of these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has one type of fund: governmental funds.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Governmental Funds

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

Of the District's \$9,838,368 in assets approximately 40 percent (or \$3,943,224) was reflected as investments in capital assets (including land, sites, buildings, vehicles, infrastructure, and machinery/equipment).

Below, is the first table which reflects the changes in the net position for the district.

Condensed Statement of Net Position

| | Governmental Activities 2021-2022 | Governmental Activities 2022-2023 |
|----------------------------------|---|---|
| Current and Other Assets | \$ 5,885,674 | \$ 5,895,144 |
| Capital Assets | <u>3,757,931</u> | <u>3,943,224</u> |
| Total Assets | <u>9,643,605</u> | <u>9,838,368</u> |
| Deferred Outflow of Resources | 1,040,110 | 1,541,912 |
| Current Liabilities | 5,632,996 | 7,620,720 |
| Long-Term Liabilities | <u>19,387</u> | <u>19,387</u> |
| Total Liabilities | <u>5,652,383</u> | <u>5,652,383</u> |
| Deferred Inflow of Resources | <u>2,195,185</u> | <u>363,312</u> |
| Net Investment in Capital Assets | 3,719,603 | 3,923,837 |
| <i>Restricted for:</i> | | |
| Tabor Reserve | 163,000 | 181,000 |
| Food Service | 306,703 | 237,232 |
| Unrestricted | <u>(1,353,159)</u> | <u>(965,208)</u> |
| Total Net Position | <u>\$ 2,836,147</u> | <u>\$ 3,376,861</u> |

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

In November 2017, the district received a voter-approved mill levy override for 6 mills, with a sunset of ten years. This has helped with the district's costs to purchase textbooks, vehicles, technology, equipment and to maintain a competitive salary structure. Even with the mill levy override, the District continues to try and manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

Condensed Statement of Activities

| | Governmental Activities 2021-2022 | Governmental Activities 2022-2023 |
|------------------------------------|---|---|
| Program Revenues: | | |
| Charges for Services | \$182,936 | \$175,187 |
| Operating Grants and Contributions | 1,887,558 | 2,655,007 |
| Capital Grants and Contributions | - | - |
| Total Program Revenues | <u>2,070,494</u> | <u>2,830,194</u> |
| General Revenues: | | |
| Taxes | 1,412,249 | 1,548,996 |
| State Equalization | 3,439,001 | 3,453,034 |
| Earnings on Investments | 8,047 | 33,974 |
| Insurance Proceeds | - | 69,945 |
| Other Revenues | 29,156 | 75,369 |
| Total General Revenues | <u>4,888,453</u> | <u>5,181,318</u> |
| Total Revenues | 6,958,947 | 8,011,512 |
| Expenses: | | |
| Instructional Staff | 3,503,437 | 4,155,199 |
| <i>Supporting Services:</i> | | |
| Students | 431,753 | 369,908 |
| Instructional Staff | 77,076 | 130,095 |
| District Administration | 507,936 | 342,353 |
| School Administration | 328,401 | 360,636 |
| Business | 97,358 | 129,481 |
| Operations & Maintenance | 912,429 | 673,662 |
| Transportation | 206,624 | 271,361 |
| Central | 301,406 | 313,555 |
| Facilities | - | 207,379 |
| Food Services | 412,111 | 379,932 |
| Capital Outlay | - | 57,855 |
| Interest on Long-Term Liabilities | 973 | 151 |
| Pension Amortization | (1,823,568) | 112,584 |
| Post Employment Benefit Activity | (25,799) | (33,353) |
| Total Expenses | <u>4,930,137</u> | <u>7,470,798</u> |
| Change in Net Position | 2,029,330 | 540,714 |
| Beginning Net Position | 806,817 | 2,836,147 |
| Prior Period Correction | - | - |
| Net Position - Ending | <u>\$ 2,836,147</u> | <u>\$ 3,376,861</u> |

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Governmental Activities by Major Function

| | 2021-2022 | | 2022-2023 | |
|-----------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| | Total Cost of Service | Net (Cost) Revenue of Service | Total Cost of Service | Net (Cost) Revenue of Service |
| Instructional Services | \$ 3,503,437 | \$ (2,058,987) | \$ 4,155,199 | \$ (1,892,799) |
| Students | \$ 431,753 | \$ (274,820) | \$ 369,908 | \$ (221,262) |
| Instructional Staff | \$ 77,076 | \$ (77,076) | \$ 130,095 | \$ (126,929) |
| District Administration | \$ 507,936 | \$ (507,936) | \$ 342,353 | \$ (334,288) |
| School Administration | \$ 328,401 | \$ (328,401) | \$ 360,636 | \$ (349,631) |
| Business | \$ 97,358 | \$ (97,358) | \$ 129,481 | \$ (125,167) |
| Operation and Maint of Facilities | \$ 912,429 | \$ (900,429) | \$ 673,662 | \$ (649,431) |
| Transportation | \$ 206,624 | \$ (182,270) | \$ 271,361 | \$ (232,363) |
| Central | \$ 301,406 | \$ (301,406) | \$ 313,555 | \$ (313,555) |
| Facilities | \$ - | \$ - | \$ 207,379 | \$ (207,379) |
| Food Service | \$ 412,111 | \$ 20,646 | \$ 379,932 | \$ (50,563) |
| Capital Outlay | \$ - | \$ - | \$ 57,855 | \$ (57,855) |
| Interest on Long Term Liabilities | \$ 973 | \$ (973) | \$ 151 | \$ (151) |
| Pension Expense | \$ (1,823,568) | \$ 1,823,568 | \$ 112,584 | \$ (112,584) |
| Post Employment Benefit Activity | \$ (25,799) | \$ 25,799 | \$ (33,353) | \$ 33,353 |
| Total | \$ 4,930,137 | \$ (2,859,643) | \$ 7,470,798 | \$ (4,640,604) |

In the two previous tables, some of the more significant changes are illustrated as:

- The cost of instructional and supporting services this year was \$7,391,416, which is an increase of \$612,885. This is mainly due to the COVID-19 federal grant fundings received and therefore expenses must be made within certain timeframes.
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$175,187.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$2,655,007. All of the Title programs are funded from the federal level administered by the State as well as the COVID-19 grant funds as described above.
- Most of the District's costs, however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$3,453,034 State Equalization revenue from the School Finance Act (1994). The local share (property tax and mill levy override) of funding was \$1,548,996.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Financial Analysis of the District's Funds

The District's budget is prepared according to Colorado law and it's based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- The District continues to attempt to make strides towards a balanced budget and reflecting the changing demographics of the school district. The District has operated in trying to utilize our staff in a more efficient matter and allow for little duplication of services to our students yet providing a quality, academically enriched atmosphere for them.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). On June 30, 2023, the districts tabor reserve was set at \$181,000.
- Starting in the 2008-2009 school year and beyond the district has embarked on a series of positive facility upgrades and improvements. Chief among these are:
 - 1) New windows for the high school and elementary, replacing windows that were at least twenty-five to fifty years old.
 - 2) Ongoing efforts to renovate the interior lighting for all classrooms in the district.
 - 3) An ambitious asbestos removal project to insure that our facilities are safe for staff and students.
 - 4) District-wide security enhancements.
 - 5) Addition of lighting and concession/restroom facilities to the Crowley County Baseball fields in cooperation with Crowley County
 - 6) Re-roof projects over the Elementary and High School.
 - 7) Exterior lighting upgrade around all buildings and major parking areas.
 - 8) New hardwood gym floors (Main gym and Ward).
 - 9) New security cameras and system.
 - 10) Updated phone system.
 - 11) New 48 passenger bus, 14 passenger (2) buses, and 12 passenger (2) vans.
 - 12) Rekeyed all exterior doors and updated security access systems.
 - 13) Jr/Sr High School renovations to the student lounge, bathrooms, and Principal and Asst. Principal offices.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$3,943,224

Long-Term Debt

| <u>Governmental Activities</u> | Balance June 30, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--------------------------------------|--------------------------|-----------------------|-----------------|--------------------------|
| Capital Assets Not Being Depreciated | | | | |
| Land and Sites | \$ 135,474 | \$ - | \$ - | \$ 135,474 |
| Total Assets Not Being Depreciated | <u>135,474</u> | <u>-</u> | <u>-</u> | <u>135,474</u> |
| Capital Assets Being Depreciated | | | | |
| Buildings and Site Improvements | 9,168,300 | 207,880 | - | 9,376,180 |
| Equipment and Vehicles | 1,539,313 | 303,070 | 110,800 | 1,731,583 |
| Food Service Equipment | 179,995 | 29,047 | - | 209,042 |
| Construction In Progress | - | - | - | - |
| Total Assets Being Depreciated | <u>10,887,608</u> | <u>539,997</u> | <u>110,800</u> | <u>11,316,805</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Site Improvements | 5,972,681 | 248,017 | - | 6,220,698 |
| Equipment and Vehicles | 1,180,315 | 95,776 | 110,800 | 1,165,291 |
| Food Service Equipment | 112,155 | 10,911 | - | 123,066 |
| Total Accumulated Depreciation | <u>7,265,151</u> | <u>354,704</u> | <u>110,800</u> | <u>7,509,055</u> |
| Net Capital Assets | <u>3,757,931</u> | <u>185,293</u> | <u>-</u> | <u>3,943,224</u> |

At the end of the fiscal year (June 30, 2023) the District had the following schedule in long-term obligations:

| | Matures | Balance June 30, 2023 |
|---|----------------|----------------------------------|
| Unused Sick Leave | | \$105,590.00 |
| 2013 Capital Projects Note | Aug 2023 | \$19,387.00 |
| Total Long Term Debt Obligations | | \$124,977.00 |

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Economic Factors Bearing on the District's Future

The factors that will affect next year's budget are the same items that have impacted Crowley County School District for the past fiscal years: special education costs, declining student enrollment, aging buildings, increased transportation costs and increased state and federal mandates.

The largest impact to the school district remains declining student enrollment. This is a problem that impacts all surrounding school districts and is not indigenous to Crowley County alone. In 1996 Crowley County School District had a fall student count of 642 students, 2007 the count was 548, 2017 the count was 468 and in 2022 the fall count was 405. The years have seen a steady decline in the number of students. Many of our fixed costs remain the same or escalate and with the declining student enrollment, it makes budgeting and allocations even more challenging.

One item that affects the district is the rising number of special education students. We have had an increase in therapeutic foster homes in the county. Many of these placements require specialized assistance from the district with no resulting funds that follow those requirements. Several of these placements need services for emotionally disturbed youth and require intense one on one service. We have been able to handle the special transportation and rearrange our busing schedules to accommodate this.

The cost of transporting our students is economically straining the district. At this time, over fifty percent of our students are eligible for transportation services. The increased costs of fuel, salaries, and equipment make this a problem for the district. The state transportation revenue has not kept pace with costs the district faces in meeting this expense.

The District has not been able to pass any bond issues to help in repairing and renovating the aging buildings. All of the major renovations have been paid by outside foundations and grants obtained by the district or with the district's own capital project funds. The need for a debt service bond issue is severe and the board has expressed serious consideration to approach the voters to help alleviate the continued drain on program area development to finance the needed improvements to facilities. The assessed valuation of the Crowley County School District could never meet the bonding capacity to construct a modernized school. The choices at this point are to continue to improve our existing facilities.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Contacting the District's Financial Management

This financial report was prepared by the District Superintendent and is designed to provide a general overview of the Crowley County School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Juan Ramirez
Superintendent of Schools
Crowley County School District RE-1J
1001 Main Street
Ordway, CO 81063

BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF NET POSITION
June 30, 2023

| | <u>Governmental Activities</u> | <u>Total</u> |
|--|------------------------------------|--------------------|
| <u>ASSETS</u> | | |
| Cash and Equivalents | 3,990,827 | 3,990,827 |
| Accounts Receivable | 107,370 | 107,370 |
| Grants Receivable | 1,592,124 | 1,592,124 |
| Property Taxes Receivable | 197,100 | 197,100 |
| Other Receivables | - | - |
| Inventories | 7,723 | 7,723 |
| Capital Assets | 11,452,279 | 11,452,279 |
| Accumulated Depreciation | <u>(7,509,055)</u> | <u>(7,509,055)</u> |
| <u>Total Assets</u> | <u>9,838,368</u> | <u>9,838,368</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES</u> | | |
| Pensions | 1,464,116 | 1,464,116 |
| Other Post Employment Benefits | <u>77,796</u> | <u>77,796</u> |
| <u>Total Deferred Outflow of Resources</u> | <u>1,541,912</u> | <u>1,541,912</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | 61,807 | 61,807 |
| Accrued Salaries | 430,510 | 430,510 |
| Accrued Interest | - | - |
| Unearned Revenue | 40,975 | 40,975 |
| Compensated Absences | 105,590 | 105,590 |
| Net Pension Liability | 6,751,913 | 6,751,913 |
| Net OPEB Liability | 229,925 | 229,925 |
| Debt Payable – Current | 19,387 | 19,387 |
| Debt Payable – Long Term | - | - |
| <u>Total Liabilities</u> | <u>7,640,107</u> | <u>7,640,107</u> |
| <u>DEFERRED INFLOW OF RESOURCES</u> | | |
| Pensions | 268,507 | 268,507 |
| Other Post Employment Benefits | <u>94,805</u> | <u>94,805</u> |
| <u>Total Deferred Inflow of Resources</u> | <u>363,312</u> | <u>363,312</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 3,923,837 | 3,923,837 |
| Restricted for: | | |
| TABOR Reserve | 181,000 | 181,000 |
| Food Service | 237,232 | 237,232 |
| Unrestricted | <u>(965,208)</u> | <u>(965,208)</u> |
| <u>TOTAL NET POSITION</u> | <u>3,376,861</u> | <u>3,376,861</u> |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

| | <u>General</u> | <u>Capital Reserve Capital Projects</u> | <u>Food Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|------------------|---|-------------------------|---|---|
| ASSETS | | | | | |
| Cash and Investments | 2,793,256 | 833,232 | 223,530 | 140,809 | 3,990,827 |
| Accounts Receivable | 107,370 | - | - | - | 107,370 |
| Grants Receivable | 1,561,699 | - | 30,425 | - | 1,592,124 |
| Due From Other Funds | - | - | 7,395 | - | 7,395 |
| Property Taxes Receivable | 197,100 | - | - | - | 197,100 |
| Inventories | - | - | 7,723 | - | 7,723 |
| Deposits | - | - | - | - | - |
| <u>Total Assets</u> | <u>4,659,425</u> | <u>833,232</u> | <u>269,073</u> | <u>140,809</u> | <u>5,902,539</u> |
| Liabilities | | | | | |
| Accounts Payable | 37,689 | - | 21,118 | - | 61,807 |
| Accrued Salaries | 430,510 | - | - | - | 430,510 |
| Unearned Revenue | 40,975 | - | - | - | 40,975 |
| Due To Other Funds | 7,395 | - | - | - | 7,395 |
| Grant Amounts Received in Advance | - | - | - | - | - |
| <u>Total Liabilities</u> | <u>516,569</u> | <u>-</u> | <u>24,118</u> | <u>-</u> | <u>540,687</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Property Taxes | 171,900 | - | - | - | 171,900 |
| FUND BALANCES: | | | | | |
| Nonspendable: | | | | | |
| Inventories | - | - | 7,723 | - | 7,723 |
| Restricted for: | | | | | |
| Emergencies | 181,000 | - | - | - | 181,000 |
| Multi-Year Obligations | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Preschool | - | - | - | - | - |
| Food Service | - | - | 237,232 | - | 237,232 |
| Committed for: | | | | | |
| Capital Outlay | - | 833,232 | - | - | 833,232 |
| Assigned for: | | | | | |
| Pupil Activities | - | - | - | 140,809 | 140,809 |
| Unassigned | 3,789,956 | - | - | - | 3,789,956 |
| <u>Total Fund Balances</u> | <u>3,970,956</u> | <u>833,232</u> | <u>244,955</u> | <u>140,809</u> | <u>5,189,952</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| | <u>4,659,425</u> | <u>833,232</u> | <u>269,073</u> | <u>140,809</u> | <u>5,902,539</u> |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

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

| | |
|---|------------------|
| <u>Total Fund Balance – Governmental Funds</u> | 5,189,952 |
| Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$11,452,279 and the accumulated depreciation is \$7,509,055. | 3,943,224 |
| Property tax revenue is recognized when earned (claim to resources established) rather than when “available”. All of the deferred property tax revenue is not available in the funds statements. | 171,900 |
| Long term liabilities are not due and payable in the current period and therefore are not reported in the funds. | (19,387) |
| Accrued interest payable is not reported as a liability in the funds. | - |
| Compensated absences are not reported as a liability in the funds. | (105,590) |
| The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds. | (6,751,913) |
| The District’s portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds. | (229,925) |
| Deferred flows for net pension and OPEB liabilities are not reported in the funds. | |
| Net deferred pension flows. | 1,195,609 |
| Net deferred OPEB flows. | <u>(17,009)</u> |
| <u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u> | <u>3,376,861</u> |

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

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

| | General | Capital Reserve Capital Projects | Food Service | Other Governmental Funds | Total Governmental Funds |
|--|------------------|--|-----------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property Taxes | 1,318,272 | - | - | - | 1,318,272 |
| Specific Ownership Taxes | 144,124 | - | - | - | 144,124 |
| Earnings on Investments | 25,995 | 6,804 | 2,534 | 1,175 | 36,508 |
| Other Local Sources | 157,314 | - | 23,653 | 139,534 | 320,501 |
| State Aid | 4,226,753 | - | 1,389 | - | 4,228,142 |
| Federal Aid | <u>1,575,572</u> | <u>-</u> | <u>301,793</u> | <u>-</u> | <u>1,877,365</u> |
| <u>Total Revenues</u> | <u>7,448,030</u> | <u>6,804</u> | <u>329,369</u> | <u>140,709</u> | <u>7,924,912</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instructional Services | 3,881,911 | - | - | - | 3,881,911 |
| Supporting Services: | | | | | |
| Students | 247,799 | - | - | 122,109 | 369,908 |
| Instructional Staff | 130,095 | - | - | - | 130,095 |
| District Administration | 342,353 | - | - | - | 342,353 |
| School Administration | 360,636 | - | - | - | 360,636 |
| Business | 129,481 | - | - | - | 129,481 |
| Operation & Maintenance | 909,359 | - | - | - | 909,359 |
| Transportation | 482,431 | - | - | - | 482,431 |
| Central | 313,555 | - | - | - | 313,555 |
| Facilities | 207,379 | - | - | - | 207,379 |
| Food Service | - | - | 398,068 | - | 398,068 |
| Debt Service: | | | | | |
| Principal Retirement | 18,941 | - | - | - | 18,941 |
| Interest and Fiscal Charges | 901 | - | - | - | 901 |
| Capital Outlay | - | <u>57,855</u> | <u>-</u> | <u>-</u> | <u>57,855</u> |
| <u>Total Expenditures</u> | <u>7,024,841</u> | <u>57,855</u> | <u>398,068</u> | <u>122,109</u> | <u>7,602,873</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>423,189</u> | <u>(51,051)</u> | <u>(68,699)</u> | <u>18,600</u> | <u>322,039</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers | <u>(150,000)</u> | <u>150,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Total Other Financing Sources (Uses)</u> | <u>(150,000)</u> | <u>150,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 273,189 | 98,949 | (68,699) | 18,600 | 322,039 |
| FUND BALANCES, Beginning | <u>3,697,767</u> | <u>734,283</u> | <u>313,654</u> | <u>122,209</u> | <u>4,867,913</u> |
| FUND BALANCES, Ending | <u>3,970,956</u> | <u>833,232</u> | <u>244,955</u> | <u>140,809</u> | <u>5,189,952</u> |

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

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

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

Net Change in Fund Balances – Total Governmental Funds 322,039

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

| | | |
|----------------------|-----------|---------|
| | 539,997 | |
| Capital Outlays | | |
| Depreciation Expense | (354,704) | 185,293 |

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year. 86,600

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount. 6,322

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

| | | |
|------------------|---|--------|
| | - | |
| Debt Proceeds | | |
| Debt Payments | | 18,941 |
| Accrued Interest | | 750 |

The statement of activities reports net pension and OPEB obligations which are not reported in the fund financial statements.

| | | |
|---|---------------|--|
| | (2,393,827) | |
| Change in Net Pension Obligation | | |
| Change in Net OPEB Obligation | 2,281,243 | |
| Deferred Flows from Net Pension Obligations | (19,079) | |
| Deferred Flows from Net OPEB Obligations | <u>52,432</u> | |

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES 540,714

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

NOTES TO BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District operates under an elected Board of Education with seven 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 Crowley County School District Number RE-1-J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Capital Reserve Capital Projects Fund and Food Service) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Property and automotive ownership taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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:

- Major Governmental Funds

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.

Capital Reserve-Capital Projects Fund – this fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

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

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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

F. Receivables

Property taxes levied in 2022 but uncollected in 2023 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2023 are recorded as deferred inflows, 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

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

H. Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

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

J. Constitutional Amendment

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (continued)

On November 7, 1995 the registered voters approved a ballot resolution authorizing Crowley County School District Number RE-1-J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

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 \$181,000 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.

K. Property Taxes

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

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

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2023, the District has recorded an estimated liability of \$105,590 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

| | <u>Balance</u> | | <u>Deletions</u> | <u>Balance</u> |
|------------------------|---------------------|------------------|----------------------|----------------------|
| | <u>July 1, 2022</u> | <u>Additions</u> | <u>June 30, 2023</u> | <u>June 30, 2023</u> |
| Accumulated Sick Leave | <u>111,912</u> | <u>-</u> | <u>6,322</u> | <u>105,590</u> |

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Pupil Activities</u> | <u>Food Service</u> | <u>Total Governmental Funds</u> |
|----------------------------|-------------------------|-----------------------------|-----------------------------|-------------------------|---|
| <u>Nonspendable:</u> | | | | | |
| Inventories | - | - | - | 7,723 | 7,723 |
| <u>Restricted:</u> | | | | | |
| Emergencies | 181,000 | - | - | - | 181,000 |
| Multi-Year Obligations | - | - | - | - | - |
| Food Service | - | - | - | 237,232 | 237,232 |
| <u>Committed:</u> | | | | | |
| Capital Outlay | - | 833,232 | - | - | 833,232 |
| <u>Assigned:</u> | | | | | |
| Pupil Activities | - | - | 140,809 | - | 140,809 |
| <u>Unassigned</u> | <u>3,789,956</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,789,956</u> |
| <u>Total Fund Balances</u> | <u>3,970,956</u> | <u>833,232</u> | <u>140,809</u> | <u>244,955</u> | <u>5,189,952</u> |

O. Deferred Outflows / Inflows of Resources (Continued)

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.

P. GASB 96

On July 1, 2022 Crowley County School District Number RE-1-J adopted GASB 96, Subscription-based Information Technology Arrangements. The District will comply with GASB 98 on any long term subscription-based information technology arrangements that are individually or aggregately material to the financial statements.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

| | Due From Other Funds | Due To Other Funds | Transfers In | Transfers Out |
|------------------|-------------------------|-----------------------|-----------------|------------------|
| General Fund | - | 7,395 | - | 150,000 |
| Food Service | 7,395 | - | - | - |
| Capital Projects | - | - | 150,000 | - |
| | 7,395 | 7,395 | 150,000 | 150,000 |

NOTE 3 BUDGETARY INFORMATION

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 3 BUDGETARY INFORMATION (Continued)

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND EQUIVALENTS

Deposits

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

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

| | <u>Carrying Balance</u> | <u>Bank Balance</u> |
|--|-----------------------------|-------------------------|
| Insured (FDIC) | 250,000 | 250,000 |
| Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado | 3,575,673 | 3,654,046 |
| Cash with County Treasurer | 59,571 | - |
| Cash with Colo Trust | 105,383 | - |
| Cash on Hand | 200 | - |
| <u>Total Cash and Deposits</u> | <u>3,990,827</u> | <u>3,904,046</u> |

As presented above, deposits with a bank balance of \$3,654,046 and a carrying balance of \$3,575,673 as of June 30, 2023 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

| | <u>Balance</u> <u>July 1, 2022</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2023</u> |
|---|---------------------------------------|------------------|------------------|--|
| <u>Governmental Activities</u> | | | | |
| <u>Capital Assets Not Being Depreciated:</u> | | | | |
| Land & Sites | 135,474 | - | - | 135,474 |
| <u>Capital Assets Being Depreciated:</u> | | | | |
| Buildings & Site Improvements | 9,168,300 | 207,880 | - | 9,376,180 |
| Equipment & Vehicles | 1,539,313 | 303,070 | 110,800 | 1,731,583 |
| Food Service Equipment | 179,995 | 29,047 | - | 209,042 |
| Construction in Progress | - | - | - | - |
| <u>Total Capital Assets Being Depreciated</u> | <u>10,887,608</u> | <u>539,997</u> | <u>110,800</u> | <u>11,316,805</u> |
| <u>Less Accumulated Depreciation for:</u> | | | | |
| Building & Site Improvements | 5,972,681 | 248,017 | - | 6,220,698 |
| Equipment & Vehicles | 1,180,315 | 95,776 | 110,800 | 1,165,291 |
| Food Service Equipment | 112,155 | 10,911 | - | 123,066 |
| <u>Total Accumulated Depreciation</u> | <u>7,265,151</u> | <u>354,704</u> | <u>110,800</u> | <u>7,509,055</u> |
| <u>Governmental Activities</u> | | | | |
| <u>Capital Assets, Net</u> | <u>3,757,931</u> | <u>185,293</u> | <u>-</u> | <u>3,943,224</u> |

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

| | |
|--|----------------|
| <u>Governmental Activities:</u> | |
| Regular Programs - Instruction | 279,610 |
| Operations and Maintenance | 4,670 |
| Transportation | 59,513 |
| Food Service | 10,911 |
| <u>Total Depreciation Expense –Governmental Activities</u> | <u>354,704</u> |

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Crowley County School District Number RE-1-J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Crowley County School District Number RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District Number RE-1-J were \$595,123 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Crowley County School District Number RE-1-J proportion of the net pension liability was based on Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J reported a liability of \$6,751,913 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 Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J were as follows:

| | |
|--|--------------|
| Crowley County School District Number RE-1-J proportionate share of the net pension liability | \$ 6,751,913 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Crowley County School District Number RE-1-J | \$ 1,967,575 |
| Total | \$ 8,719,488 |

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

At December 31, 2022, the Crowley County School District Number RE-1-J proportion was 0.037%, which was a decrease of 0.0004% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Crowley County School District Number RE-1-J recognized pension expense of \$112,584 and revenue of \$167,783 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Crowley County School District Number RE-1-J 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 | 63,900 | - |
| Changes of assumptions or other inputs | 119,598 | - |
| Net difference between projected and actual earnings on pension plan investments | 907,031 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 90,918 | (268,507) |
| Contributions subsequent to the measurement date | 282,669 | N/A |
| Total | 1,464,116 | (268,507) |

\$282,669 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30, 2023 | |
|--------------------------|----------|
| 2024 | (14,606) |
| 2025 | 73,137 |
| 2026 | 326,829 |
| 2027 | 527,580 |
| 2028 | - |
| Thereafter | - |

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

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

| | |
|---|---------------------|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.40% –11.00% |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually) | 1.00% |
| PERA benefit structure hired after 12/31/06* | Financed by the AIR |

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 **PENSION PLAN (Continued)**

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Crowley County School District Number RE-1-J 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:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension | 8,835,932 | 6,751,913 | 5,011,544 |

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

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$19,884.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description – Employees of the Crowley County School District Number RE-1-J may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended 2023, program members contributed \$8,424.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Crowley County School District Number RE-1-J participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Crowley County School District Number RE-1-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Crowley County School District Number RE-1-J were \$29,785 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 Crowley County School District Number RE-1-J reported a liability of \$229,925 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Crowley County School District Number RE-1-J proportion of the net OPEB liability was based on Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J proportion was 0.028%, which was an increase of 0.0037% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Crowley County School District Number RE-1-J recognized OPEB income of \$33,353. At June 30, 2023, the Crowley County School District Number RE-1-J 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 | \$ 30 | \$ (55,604) |
| Changes of assumptions or other inputs | 3,696 | (25,377) |
| Net difference between projected and actual earnings on OPEB plan investments | 14,043 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 45,880 | (13,824) |
| Contributions subsequent to the measurement date | 14,147 | N/A |
| Total | \$ 77,796 | \$ (94,805) |

\$14,147 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30, 2023 | |
|--------------------------|----------|
| 2024 | (17,817) |
| 2025 | (17,717) |
| 2026 | (4,270) |
| 2027 | 7,135 |
| 2028 | 1,231 |
| Thereafter | 282 |

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

| | State Division | School Division | Local Government Division | Judicial Division |
|--|-------------------|--------------------|--|----------------------|
| Actuarial cost method | | | | |
| | | | Entry age | |
| Price inflation | | | 2.30% | |
| Real wage growth | | | 0.70% | |
| Wage inflation | | | 3.00% | |
| Salary increases, including wage inflation | | | | |
| Members other than State Troopers | 3.30%-10.90% | 3.40% -11.00% | 3.20%-11.30% | 2.80%-5.30% |
| State Troopers | 3.20%-12.40% | N/A | 3.20%-12.40% | N/A |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | | | 7.25% | |
| Discount rate | | | 7.25% | |
| Health care cost trend rates | | | | |
| PERA benefit structure: | | | | |
| Service-based premium subsidy | | | 0.00% | |
| PERACare Medicare plans | | | 6.50% in 2022, gradually decreasing to 4.50% in 2030 | |
| Medicare Part A premiums | | | 3.75% in 2022, gradually increasing to 4.50% in 2029 | |
| DPS benefit structure: | | | | |
| Service-based premium subsidy | | | 0.00 % | |
| PERACare Medicare plans | | | N/A | |
| Medicare Part A premiums | | | N/A | |

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

| Sample | MAPD PPO #1 without Medicare Part A | | MAPD PPO #2 without Medicare Part A | | MAPD HMO(Kaiser) without Medicare Part A | |
|--------|-------------------------------------|---------|-------------------------------------|---------|--|---------|
| | Retiree/Spouse | | Retiree/Spouse | | Retiree/Spouse | |
| Age | Male | Female | Male | Female | Male | Female |
| 65 | \$6,514 | \$5,542 | \$4,227 | \$3,596 | \$6,752 | \$5,739 |
| 70 | \$7,553 | \$5,966 | \$4,901 | \$3,872 | \$7,826 | \$6,185 |
| 75 | \$8,134 | \$6,425 | \$5,278 | \$4,169 | \$8,433 | \$6,657 |

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

Sensitivity of the Crowley County School District Number RE-1-J 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:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---------------------------------------|----------------------------|---------------------|----------------------------|
| Initial PERACare Medicare trend rate* | 5.25% | 6.25% | 7.25% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate | 3.00% | 4.00% | 5.00% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | \$223,417 | \$229,925 | \$237,006 |

*For the January 1, 2023, plan year.

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

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

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

Sensitivity of the Crowley County School District Number RE-1-J 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 | \$266,551 | \$229,925 | \$198,598 |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 RISK MANAGEMENT

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

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

NOTE 9 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 Education is composed of eight persons; seven of whom are appointed by the Board of Education of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Education. 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 Insurance Reserve 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.

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 10 FOOD SERVICE INVENTORIES

Food Service Fund inventories at June 30, 2023, consisted of USDA, purchased, and non-food amounting to \$7,723. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

| | <u>Balance</u> <u>7-1-2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6-30-2023</u> | <u>Current</u> <u>Portion</u> |
|----------------------------------|-----------------------------------|------------------|------------------|------------------------------------|----------------------------------|
| Note with FNB – Capital Projects | <u>38,328</u> | <u>-</u> | <u>18,941</u> | <u>19,387</u> | <u>19,387</u> |

NOTES PAYABLE

First National Bank Note – Capital Projects

The District entered into a loan agreement with the First National Bank of Las Animas in the amount of \$175,000. The note will be paid over a ten year period beginning August 21, 2014 at an annual interest rate of 2.35%. This note was obtained for necessary building repairs. The note is considered a multi-year obligation and accordingly the District has restricted fund balance to comply with the TABOR law requirements.

Listed below is a schedule of the debt to maturity.

| <u>Fiscal Year</u> | <u>Interest Rate</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|------------------|-----------------|---------------|
| 2024 | 2.35% | <u>19,387</u> | <u>455</u> | <u>19,842</u> |
| Total | | <u>19,387</u> | <u>455</u> | <u>19,842</u> |

NOTE 12 LITIGATION

None.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

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.

NOTE 14 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services for Teacher Leadership (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 joint venture summary audited financial information as of June 30, 2022 is as follows:

| | |
|----------------------------------|--------------------|
| Assets and Deferred Outflows | 3,243,244 |
| Liabilities and Deferred Inflows | <u>5,814,798</u> |
| Net Position | <u>(2,571,554)</u> |
| | |
| Revenues | 5,068,949 |
| Expenditures | <u>3,187,843</u> |
| Excess (Deficiency) | <u>1,881,106</u> |

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

NOTE 15 INTERFUND BALANCES

| | Due From <u>Other Funds</u> | Due To <u>Other Funds</u> | Transfers <u>In</u> | Transfers <u>Out</u> |
|-------------------|--------------------------------|------------------------------|------------------------|-------------------------|
| General Fund | - | 7,395 | - | 150,000 |
| Food Service Fund | 7,395 | - | - | - |
| Capital Projects | <u>-</u> | <u>-</u> | <u>150,000</u> | <u>-</u> |
| | <u>7,395</u> | <u>7,395</u> | <u>150,000</u> | <u>150,000</u> |

Interfund loans were made in the normal course of operations to support funding needs.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Food Service Fund

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

Pension Trend Data

Other Post Employment Benefits (OPEB) Trend Data

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

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance- |
|-----------------------------------|-------------------------|------------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | Favorable <u>(Unfavorable)</u> |
| <u>REVENUES</u> | | | | |
| <u>Local Sources</u> | | | | |
| Property Taxes | 1,321,331 | 1,404,875 | 1,318,272 | (86,603) |
| Specific Ownership Taxes | 102,209 | 106,118 | 144,124 | 38,006 |
| Earnings on Investments | 5,250 | 5,250 | 25,995 | 20,745 |
| Delinquent Taxes & Interest | - | - | - | - |
| Other | 46,050 | 40,025 | 157,314 | 117,289 |
| <u>State Sources</u> | | | | |
| Equalization | 3,287,355 | 3,212,696 | 3,453,034 | 240,338 |
| Transportation | 27,525 | 34,000 | 35,507 | 1,507 |
| Vocational Education | 21,000 | 21,000 | 36,108 | 15,108 |
| Grants | 500,396 | 508,500 | 534,321 | 25,821 |
| Other | - | - | 167,783 | 167,783 |
| <u>Federal Sources</u> | | | | |
| Other | 1,982,929 | 2,276,379 | 1,575,572 | (700,807) |
| <u>TOTAL REVENUES</u> | <u>7,294,045</u> | <u>7,608,843</u> | <u>7,448,030</u> | <u>(160,813)</u> |
| <u>EXPENDITURES</u> | | | | |
| <u>Instruction</u> | | | | |
| <u>Regular Programs</u> | | | | |
| Salaries | 2,278,530 | 2,519,618 | 2,102,487 | 417,131 |
| Employee Benefits | 757,806 | 830,681 | 786,518 | 44,163 |
| Purchased Services - Professional | 78,415 | 65,888 | 262,742 | (196,854) |
| Purchased Services – Property | 400 | 400 | - | 400 |
| Purchased Services – Other | 179,500 | 222,500 | 327,883 | (105,383) |
| Supplies and Materials | 164,922 | 489,372 | 379,876 | 109,496 |
| Property | 17,500 | 17,000 | 18,262 | (1,262) |
| Other Objects | 1,092,859 | 5,050 | 4,143 | 907 |
| <u>Total Instruction</u> | <u>4,569,932</u> | <u>4,150,509</u> | <u>3,881,911</u> | <u>268,598</u> |

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

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

| <u>SUPPORTING SERVICES</u> | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance - |
|--|-------------------------|----------------|-----------------------|-----------------------------------|
| | <u>Original</u> | <u>Final</u> | | Favorable <u>(Unfavorable)</u> |
| <u>Student Supporting Services</u> | | | | |
| Salaries | 148,300 | 171,295 | 164,460 | 6,835 |
| Employee Benefits | 50,310 | 56,168 | 59,828 | (3,660) |
| Purchased Services – Professional | 7,000 | 7,000 | 1,880 | 5,120 |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | 6,250 | 12,250 | 4,223 | 8,027 |
| Supplies and Materials | 20,730 | 18,800 | 13,888 | 4,912 |
| Property | 18,145 | 2,500 | 320 | 2,180 |
| Other Objects | - | - | 3,200 | (3,200) |
| <u>Total Student Supporting Services</u> | <u>250,735</u> | <u>268,013</u> | <u>247,799</u> | <u>20,214</u> |
| <u>Instructional Staff</u> | | | | |
| Salaries | 48,550 | 59,550 | 57,141 | 2,409 |
| Employee Benefits | 11,545 | 16,020 | 27,454 | (11,434) |
| Purchased Services – Professional | 5,000 | 5,000 | 32,029 | (27,029) |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | 400 | 400 | 2,846 | (2,446) |
| Supplies and Materials | 9,500 | 9,500 | 10,326 | (826) |
| Property | 300 | 300 | 299 | 1 |
| Other Objects | - | - | - | - |
| <u>Total Instruction Staff</u> | <u>75,295</u> | <u>90,770</u> | <u>130,095</u> | <u>(39,325)</u> |
| <u>General Administration</u> | | | | |
| Salaries | 137,080 | 144,080 | 145,571 | (1,491) |
| Employee Benefits | 66,550 | 66,720 | 65,466 | 1,254 |
| Purchased Services – Professional | 259,100 | 259,600 | 62,202 | 197,398 |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | 31,850 | 33,400 | 28,138 | 5,262 |
| Supplies and Materials | 11,000 | 11,000 | 3,904 | 7,096 |
| Property | - | - | - | - |
| Other Objects | 15,300 | 33,800 | 37,072 | (3,272) |
| <u>Total General Administration</u> | <u>520,880</u> | <u>548,600</u> | <u>342,353</u> | <u>206,247</u> |
| <u>School Administration</u> | | | | |
| <u>Office of the Principal</u> | | | | |
| Salaries | 199,000 | 197,000 | 198,644 | (1,644) |
| Employee Benefits | 98,440 | 108,925 | 122,550 | (13,625) |
| Purchased Services – Professional | 300 | 300 | 20,150 | (19,850) |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | 3,200 | 3,100 | 1,077 | 2,023 |
| Supplies and Materials | 19,200 | 14,970 | 14,904 | 66 |
| Property | 1,550 | 1,550 | 1,091 | 459 |
| Other Objects | 2,850 | 2,850 | 2,220 | 630 |
| <u>Total School Administration</u> | <u>324,540</u> | <u>328,695</u> | <u>360,636</u> | <u>(31,941)</u> |

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

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

| <u>SUPPORTING SERVICES (Continued)</u> | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance - |
|---|-------------------------|------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | Favorable (Unfavorable) |
| <u>Business Services</u> | | | | |
| Salaries | 52,900 | 77,900 | 77,860 | 40 |
| Employee Benefits | 19,275 | 25,035 | 28,042 | (3,007) |
| Purchased Services – Professional | 19,200 | 19,200 | 17,145 | 2,055 |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | - | - | 1,198 | (1,198) |
| Supplies and Materials | 1,500 | 1,500 | 2,417 | (917) |
| Property | 150 | 150 | 2,545 | (2,395) |
| Other Objects | - | - | 274 | (274) |
| <u>Total Business Services</u> | <u>93,025</u> | <u>123,785</u> | <u>129,481</u> | <u>(5,696)</u> |
| <u>Operations and Maintenance</u> | | | | |
| Salaries | 248,500 | 261,000 | 220,773 | 40,227 |
| Employee Benefits | 80,290 | 78,715 | 78,187 | 528 |
| Purchased Services – Professional | 206,581 | 289,500 | 257,956 | 31,544 |
| Purchased Services – Property | 66,920 | 53,920 | 64,330 | (10,410) |
| Purchased Services – Other | 28,000 | 28,000 | 18,158 | 9,842 |
| Supplies and Materials | 211,000 | 244,500 | 256,908 | (12,408) |
| Property | 227,615 | 68,898 | 12,449 | 56,449 |
| Other Objects | 75,500 | 75,500 | 598 | 74,902 |
| <u>Total Operations and Maintenance</u> | <u>1,144,406</u> | <u>1,100,033</u> | <u>909,359</u> | <u>190,674</u> |
| <u>Student Transportation</u> | | | | |
| Salaries | 63,750 | 63,750 | 63,012 | 738 |
| Employee Benefits | 19,450 | 19,450 | 20,782 | (1,332) |
| Purchased Services – Professional | 6,800 | 7,300 | 6,420 | 880 |
| Purchased Services – Property | 55,000 | 35,000 | 25,756 | 9,244 |
| Purchased Services – Other | 5,100 | 100 | 38,031 | (37,931) |
| Supplies and Materials | 34,500 | 69,500 | 70,585 | (1,085) |
| Property | 50,000 | 450,000 | 256,591 | 193,409 |
| Other Objects | 500 | 500 | 1,254 | (754) |
| <u>Total Student Transportation</u> | <u>235,100</u> | <u>645,600</u> | <u>482,431</u> | <u>163,169</u> |
| <u>Central Support</u> | | | | |
| Salaries | - | - | - | - |
| Employee Benefits | - | - | - | - |
| Purchased Services – Professional | 62,600 | 69,000 | 65,634 | 3,366 |
| Purchased Services – Property | - | - | - | - |
| Purchased Services – Other | 137,000 | 135,200 | 159,998 | (24,798) |
| Supplies and Materials | 2,000 | 152,000 | 18,994 | 133,006 |
| Property | 65,000 | 215,000 | 68,929 | 146,071 |
| Other Objects | - | - | - | - |
| <u>Total Central Support</u> | <u>266,600</u> | <u>571,200</u> | <u>313,555</u> | <u>257,645</u> |

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

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

| SUPPORTING SERVICES (Continued) | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance - Favorable (Unfavorable) |
|--|-------------------------|--------------|-----------------------|--|
| | <u>Original</u> | <u>Final</u> | | |
| <u>Facilities Acquisition and Construction</u> | | | | |
| Property | - | 207,400 | 207,379 | 21 |
| <u>Total Facilities Acq. and Construction</u> | - | 207,400 | 207,379 | 21 |
| <u>TOTAL SUPPORTING SERVICES</u> | 2,910,581 | 3,884,096 | 3,123,088 | 761,008 |
| <u>Debt Service</u> | 17,840 | 19,940 | 19,842 | 98 |
| <u>Appropriated Reserves</u> | 3,070,671 | 3,102,065 | - | 3,102,065 |
| <u>TOTAL EXPENDITURES</u> | 10,569,024 | 11,156,610 | 7,024,841 | 4,131,769 |
| <u>REVENUES OVER (UNDER) EXPENDITURES</u> | (3,274,979) | (3,547,767) | 423,189 | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers | (300,000) | (150,000) | (150,000) | - |
| <u>Total Other Financing Sources (Uses)</u> | (300,000) | (150,000) | (150,000) | - |
| <u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u> | (3,574,979) | (3,697,767) | 273,189 | |
| <u>FUND BALANCE, July 1</u> | 3,574,979 | 3,697,767 | 3,697,767 | |
| <u>FUND BALANCE, June 30</u> | - | - | 3,970,956 | |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOOD SERVICE-MAJOR SPECIAL REVENUE FUND
For the Year Ended June 30, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance - Favorable (Unfavorable)</u> |
|--|-------------------------|------------------|-----------------------|---|
| <u>OPERATING REVENUES</u> | <u>Original</u> | <u>Final</u> | | |
| <u>Local Source</u> | | | | |
| Food Sales | 10,000 | 13,000 | 22,099 | 452 |
| Earnings on Investments | 50 | 550 | 2,534 | 1,984 |
| Other | 1,350 | 2,000 | 1,554 | (446) |
| <u>State Sources</u> | | | | |
| School Lunches | 2,000 | 2,000 | 1,389 | (611) |
| <u>Federal Sources</u> | | | | |
| School Lunches | 510,615 | 403,215 | 298,208 | (105,007) |
| Commodities | <u>15,000</u> | <u>15,000</u> | <u>3,585</u> | <u>(11,415)</u> |
| <u>Total Operating Revenues</u> | <u>539,015</u> | <u>435,765</u> | <u>329,369</u> | <u>(115,043)</u> |
| <u>OPERATING EXPENDITURES</u> | | | | |
| Salaries | - | - | - | - |
| Employee Benefits | - | - | - | - |
| Purchased Services – Professional | - | - | - | - |
| Purchased Services – Property | 5,000 | 5,000 | 4,130 | 870 |
| Purchased Services – Other | 510,000 | 510,000 | 212,920 | 297,080 |
| Supplies and Materials | 1,000 | 1,000 | 156,079 | (155,079) |
| Capital Outlay | 170,000 | 70,000 | 20,392 | 49,608 |
| Other | 235,364 | 163,419 | 962 | 162,457 |
| Commodities | - | - | <u>3,585</u> | <u>(3,585)</u> |
| <u>Total Expenditures</u> | <u>921,364</u> | <u>749,419</u> | <u>398,068</u> | <u>351,351</u> |
| <u>REVENUES OVER (UNDER) EXPENDITURES</u> | <u>(382,349)</u> | <u>(313,654)</u> | <u>(68,699)</u> | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Operating Transfers from General Fund | - | - | - | - |
| <u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u> | <u>(382,349)</u> | <u>(313,654)</u> | <u>(68,699)</u> | |
| <u>FUND BALANCE- Beginning</u> | <u>382,349</u> | <u>313,654</u> | <u>313,654</u> | |
| <u>FUND BALANCE- End</u> | <u>-</u> | <u>-</u> | <u>244,955</u> | |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|
| District's proportion of the net pension liability (asset) | 0.037% | 0.0374% | 0.0405% | 0.0380% | 0.0397% | 0.0441% | 0.0464% | 0.0488% | 0.0508% | 0.0512% |
| | \$6,751,913 | \$4,358,086 | \$6,130,013 | \$5,675,331 | \$7,024,976 | \$14,252,929 | \$13,818,173 | \$7,466,484 | \$6,892,973 | \$6,534,641 |
| District's proportionate share of the net pension liability (asset) | \$1,967,575 | \$499,599 | - | \$719,843 | \$960,570 | - | - | - | - | - |
| State's proportionate share of the net pension liability associated with the District** | \$2,920,131 | \$2,579,221 | \$2,171,224 | \$2,188,758 | \$2,239,841 | \$2,081,209 | \$2,056,027 | \$2,105,710 | \$2,110,101 | \$2,139,765 |
| District's covered payroll | 231% | 169% | 282% | 259% | 313% | 685% | 672% | 355% | 327% | 305% |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 61.79% | 74.86% | 66.99% | 64.52% | 57.01% | 43.96% | 43.1% | 59.2% | 62.80% | |
| Plan fiduciary net position as a percentage of the total pension liability | 64.06% | | | | | | | | | |

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contractually required Contributions | \$ 595,123 | \$ 512,749 | \$ 431,639 | \$ 424,181 | \$ 428,482 | \$ 393,063 | \$ 377,851 | \$ 373,285 | \$ 356,297 | \$ 342,098 |
| Contributions in relation to the contractually required contributions | <u>\$ (595,123)</u> | <u>\$ (512,749)</u> | <u>\$ (431,639)</u> | <u>\$ (424,181)</u> | <u>\$ (428,482)</u> | <u>\$ (393,063)</u> | <u>\$ (377,851)</u> | <u>\$ (373,285)</u> | <u>\$ (356,297)</u> | <u>\$ (342,098)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$2,920,131 | \$2,579,221 | \$2,171,224 | \$2,188,758 | \$2,239,841 | \$2,081,209 | \$2,056,027 | \$2,105,710 | \$2,110,101 | \$2,139,765 |
| Contributions as a percentage of covered payroll | 20.38% | 19.88% | 19.88% | 19.38% | 19.13% | 18.89% | 18.38% | 17.73% | 16.89% | 15.99% |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| District's proportion of the net OPEB liability (asset) | 0.028% | 0.0245% | 0.0234% | 0.0248% | 0.0258% | 0.0250% | 0.0263% | - | - | - |
| District's proportionate share of the net OPEB liability (asset) | \$229,925 | \$210,846 | \$222,824 | \$279,079 | \$350,855 | \$325,476 | \$342,029 | - | - | - |
| District's covered payroll | \$2,920,131 | \$2,579,221 | \$2,171,224 | \$2,188,758 | \$2,239,841 | \$2,081,209 | \$2,056,027 | - | - | - |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 7.87% | 8.17% | 10.26% | 12.75% | 15.66% | 15.64% | 16.64% | - | - | - |
| Plan fiduciary net position as a percentage of the total OPEB liability | 38.57% | 39.40% | 32.78% | 24.49% | 17.03% | 17.53% | 16.72% | - | - | - |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|
| Contractually required contributions | \$ 29,785 | \$ 26,308 | \$ 22,146 | \$ 22,325 | \$ 22,846 | \$ 21,228 | \$ 20,971 | - | - | - |
| Contributions in relation to the contractually required contributions | <u>\$(29,785)</u> | <u>\$(26,308)</u> | <u>\$(22,146)</u> | <u>\$(22,325)</u> | <u>\$(22,846)</u> | <u>\$(21,228)</u> | <u>\$(20,971)</u> | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | - | - |
| District's covered payroll | \$2,920,131 | \$2,579,221 | \$2,171,224 | \$2,188,758 | \$2,239,841 | \$2,081,209 | \$2,056,027 | - | - | - |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | - | - | - |

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

OTHER SCHEDULES

Capital Project Funds

Capital Reserve – Capital Project Fund - Major Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Pupil Activity Fund – This fund accounts for financial transactions of all schools in the District through individual school activity accounts.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
MAJOR CAPITAL RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2023

| | Budget | | Actual | Variance - Favorable (Unfavorable) |
|---|------------------|------------------|-----------------|--|
| | Original | Final | | |
| <u>Revenues</u> | | | | |
| Earnings on Investments | - | - | - | - |
| Other Local Sources | - | - | - | - |
| State Sources | <u>4,000</u> | <u>4,000</u> | <u>6,804</u> | <u>2,804</u> |
| <u>Total Revenue</u> | <u>4,000</u> | <u>4,000</u> | <u>6,804</u> | <u>2,804</u> |
| <u>Expenditures</u> | | | | |
| Land and Land Sites | - | - | - | - |
| Equipment | - | - | - | - |
| Vehicle - Other | - | - | - | - |
| Buildings & Improvements | 888,283 | 888,283 | 57,855 | 830,428 |
| Debt Service: | | | | |
| Principal Retirement | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - |
| Contingency Reserves | - | - | - | - |
| <u>Total Expenditures</u> | <u>888,283</u> | <u>888,283</u> | <u>57,855</u> | <u>830,428</u> |
| <u>Revenues Over (Under) Expenditures</u> | <u>(884,283)</u> | <u>(884,283)</u> | <u>(51,051)</u> | |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | - |
| <u>Total Other Financing Sources (Uses)</u> | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | - |
| <u>Net Change in Fund Balances</u> | <u>(734,283)</u> | <u>(734,283)</u> | <u>98,949</u> | |
| <u>FUND BALANCE, July 1</u> | <u>734,283</u> | <u>734,283</u> | <u>734,283</u> | |
| <u>FUND BALANCE, June 30</u> | <u>-</u> | <u>-</u> | <u>833,232</u> | |

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
PUPIL ACTIVITY – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|---|------------------|----------------|--|
| <u>REVENUES:</u> | | | |
| Local Sources | 79,100 | 140,709 | 61,609 |
| State Sources | - | - | - |
| Federal Sources | - | - | - |
| <u>Total Revenues</u> | <u>79,100</u> | <u>140,709</u> | <u>61,609</u> |
| <u>EXPENDITURES:</u> | | | |
| Purchased Services- Professional | - | - | - |
| Purchased Services- Other | 64,000 | 56,704 | 7,296 |
| Supplies and Materials | 55,000 | 49,487 | 5,513 |
| Capital Outlay | 10,000 | - | 10,000 |
| Other | <u>72,309</u> | <u>15,918</u> | <u>56,391</u> |
| <u>Total Expenditures</u> | <u>201,309</u> | <u>122,109</u> | <u>79,200</u> |
| <u>REVENUES OVER (UNDER) EXPENDITURES</u> | <u>(122,209)</u> | <u>18,600</u> | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers | - | - | - |
| <u>Total Other Financing Sources (Uses)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>NET CHANGE IN FUND BALANCES</u> | <u>(122,209)</u> | <u>18,600</u> | |
| <u>FUND BALANCE – JULY 1</u> | <u>122,209</u> | <u>122,209</u> | |
| <u>FUND BALANCE – JUNE 30</u> | <u>-</u> | <u>140,809</u> | |

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 0770 - Crowley County RE-1-1
 Fiscal Year 2022-23
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund Type & Number

| Fund Type & Number | Big Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|--|---|---|
| Governmental | | | | |
| 00 General Fund | 3,697,767 | 7,090,887 | 6,817,698 | 3,970,956 |
| 08 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 0 | 207,143 | 207,143 | 0 |
| Sub Total | 3,697,767 | 7,298,030 | 7,024,841 | 3,970,956 |
| 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 | 313,654 | 328,369 | 398,067 | 244,956 |
| 22 Govt Designate-Purpose Grants Fund | 0 | 0 | 0 | 0 |
| 23 Pupil Activity Special Revenue Fund | 122,209 | 140,709 | 122,169 | 140,809 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 0 | 0 | 0 | 0 |
| 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 | 734,283 | 156,804 | 57,955 | 833,232 |
| 45 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 4,867,811 | 7,334,812 | 7,402,872 | 5,185,351 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 (63) Risk-Related Activity Fund | 0 | 0 | 0 | 0 |
| 60,65-69 Other Internal Service Funds | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 Agency Fund | 0 | 0 | 0 | 0 |
| 74 Pupil Activity Agency Fund | 0 | 0 | 0 | 0 |
| 79 GASB 34 Permanent Fund | 0 | 0 | 0 | 0 |
| 85 Foundations | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0770 - Crowley County RE-1-J
 Fiscal Year 2022-23
 Colorado School District/BOCES

| ASSETS | Governmental | | | | | | | Proprietary | | | | | Fiduciary | | | |
|--|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|------------------|
| | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Total Program Reserve Fund 07 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
| Cash and Investments (8100-8104,8111) | 2,733,684 | 0 | 0 | 23,578 | 0 | 0 | 422 | 0 | 210,991 | 0 | 0 | 0 | 0 | 0 | 0 | 2,968,675 |
| Cash with Fiscal Agent (8105) | 59,571 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 59,571 |
| Other Investment Accounts (8112-8115) | 0 | 0 | 0 | 117,231 | 0 | 0 | 223,108 | 0 | 622,242 | 0 | 0 | 0 | 0 | 0 | 0 | 962,581 |
| Taxes Receivable (8121,8122) | 197,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 197,100 |
| Interfund Loans Receivable (8131,8132) | 0 | 0 | 0 | 0 | 0 | 0 | 7,395 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,395 |
| Grants Accounts Receivable (8142) | 1,561,699 | 0 | 0 | 0 | 0 | 0 | 30,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,592,124 |
| Other Receivables (8151-8154,8161) | 107,370 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 107,370 |
| Inventories (8171,8172,8173) | 0 | 0 | 0 | 0 | 0 | 0 | 7,723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,723 |
| Machinery and Equipment (8241,8242,8251) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 4,659,424 | 0 | 0 | 140,809 | 0 | 0 | 269,073 | 0 | 833,232 | 0 | 0 | 0 | 0 | 0 | 0 | 5,902,539 |

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY

LIABILITIES

| | General Funds 10,112-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Total Program Reserve Fund 07 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
|--------------------------------|----------------------------|---------------------------|----------------------|------------------------------------|-----------------------------------|----------------------------------|---|-----------------------------|--|-----------------------------------|-------------------------------------|--------------------------------------|------------------------------------|-------------------------------|------------------------|----------------|
| Interfund Payables (7401,7402) | 7,395 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,395 |
| Other Payables (7421-7423) | 37,689 | 0 | 0 | 0 | 0 | 0 | 24,118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 61,806 |
| Accrued Expenses (7461) | 430,510 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 430,510 |
| Unearned Revenue (7481) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants Deferred Revenue (7482) | 40,974 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,974 |
| Deferred Inflow (7800) | 171,900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 171,900 |
| Total Liabilities | 688,468 | 0 | 0 | 0 | 0 | 0 | 24,118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 712,586 |

Governmental

Proprietary

Fiduciary

FUND EQUITY

| | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Total Program Reserve Fund 07 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60, 70-79 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
|---|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|--|----------------------------|---------------------|------------------|
| Non-spendable Fund Balance 6710 | 0 | 0 | 0 | 0 | 0 | 0 | 7,723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,723 |
| Restricted Fund Balance 6720 | 0 | 0 | 0 | 0 | 0 | 0 | 237,232 | 0 | 833,232 | 0 | 0 | 0 | 0 | 0 | 0 | 1,070,464 |
| LABOR 3% Emergency Reserve 6721 | 181,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 181,000 |
| LABOR Multi-Year 6722 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Emergency Reserve (letter of credit or real estate) 6723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colorado Preschool Program (CPP) Reserve 6724 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Full-Day Kindergarten Reserve 6725 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Risk-Related / Restricted Capital Reserve 6726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BEST Capital Reserve 6727 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Program Reserve 6728 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed Fund Balance 6750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned Fund Balance 6760 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unassigned Fund Balance 6770 | 3,789,956 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,789,956 |
| Invoiced in Capital Assn. Net of Related Debt 6790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted Net Assets 6791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted Net Assets 6792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Period Adjustment 6880 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fund Equity | 3,970,956 | 0 | 0 | 140,809 | 0 | 0 | 244,956 | 0 | 833,232 | 0 | 0 | 0 | 0 | 0 | 0 | 5,189,953 |

| | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Total Program Reserve Fund 07 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60, 70-79 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
|--|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|--|----------------------------|---------------------|------------------|
| Total Liabilities & Fund Equity | 4,659,424 | 0 | 0 | 140,809 | 0 | 0 | 269,073 | 0 | 833,232 | 0 | 0 | 0 | 0 | 0 | 0 | 5,902,539 |

| | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Total Program Reserve Fund 07 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60, 70-79 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
|--|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|--|----------------------------|---------------------|--------|
| For Each Fund Type: | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Do Assets=Liability+Fund Equity | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

12/13/23

SINGLE AUDIT SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Crowley County School
District Number RE-1-J
Ordway, CO 81063

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crowley County School District Number RE-1-J as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Crowley County School District Number RE-1-J's basic financial statements, and have issued our report thereon dated October 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crowley County School District Number RE-1-J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Crowley County School District Number RE-1-J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Crowley County School District Number RE-1-J's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crowley County School District Number RE-1-J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



October 26, 2023

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

Board of Education
Crowley County School
District Number RE-1-J
Ordway, CO 81063

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crowley County School District Number RE-1-J's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crowley County School District Number RE-1-J's major federal programs for the year ended June 30, 2023. Crowley County School District Number RE-1-J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crowley County School District Number RE-1-J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Crowley County School District Number RE-1-J and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Crowley County School District Number RE-1-J's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Crowley County School District Number RE-1-J's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Crowley County School District Number RE-1-J's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Crowley County School District Number RE-1-J's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Crowley County School District Number RE-1-J's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Crowley County School District Number RE-1-J's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Crowley County School District Number RE-1-J's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



October 26, 2023

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of Crowley County School District Number RE-1-J.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Crowley County School District Number RE-1-J were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on Crowley County School District Number RE-1-J compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act. 84.425

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as Low-Risk Auditee

The District does qualify as a low-risk auditee for fiscal year 2022/2023.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2023

None

Crowley County School District Number RE-1-J

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

| <i>Federal Grantor/Program or Cluster Title</i> | <i>Federal ALN Number</i> | <i>Pass-through Grantor</i> | <i>Grant ID No.</i> | <i>Federal Expenditures</i> |
|--|---------------------------|---------------------------------------|---------------------|-----------------------------|
| Child Nutrition Cluster-Cluster | | | | |
| United States Department of Agriculture | | | | |
| School Breakfast Program | | | | |
| School Breakfast Program | 10.553 | Colorado Department of Education | 4553 | 50,072 |
| Total School Breakfast Program | | | | <u>50,072</u> |
| National School Lunch Program | | | | |
| National School Lunch Program | 10.555 | Colorado Department of Education | 6555 | 7,634 |
| National School Lunch Program | 10.555 | Colorado Department of Education | 4555 | 186,518 |
| National School Lunch Program | 10.555 | Colorado Department of Human Services | 4555 | 3,585 |
| Total National School Lunch Program | | | | <u>197,737</u> |
| Summer Food Service Program for Children | | | | |
| Summer Food Service Program for Children | 10.559 | Colorado Department of Human Services | 4559 | 14,463 |
| Total Summer Food Service Program for Children | | | | <u>14,463</u> |
| Total Summer Food Service Program for Children | | | | <u>262,272</u> |
| <i>Total United States Department of Agriculture</i> | | | | <u>262,272</u> |
| Total Child Nutrition Cluster-Cluster | | | | |
| Other Programs | | | | |
| Department of Education | | | | |
| Title I Grants to Local Educational Agencies | | | | |
| Title I Grants to Local Educational Agencies | 84.010 | Colorado Department of Education | 4010 | 201,075 |
| Total Title I Grants to Local Educational Agencies | | | | <u>201,075</u> |
| Rural Education | | | | |
| Total Rural Education | 84.358 | | | <u>15,261</u> |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | | | | |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | 84.367 | Colorado Department of Education | 4367 | 34,513 |
| Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | | | | <u>34,513</u> |
| Student Support and Academic Enrichment Program | | | | |
| Student Support and Academic Enrichment Program | 84.424 | Colorado Department of Education | 4424 | 15,564 |
| Total Student Support and Academic Enrichment Program | | | | <u>15,564</u> |

Crowley County School District Number RE-1-J

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

| Federal Grantor/Program or Cluster Title | Federal ALN Number | Pass-through Grantor | Grant ID No. | Federal Expenditures |
|---|-----------------------|---|--------------|-------------------------|
| Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | 84.425U | Colorado Department of Education | 4414 | 789,039 |
| Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | 84.425D | Colorado Department of Education | 4420 | 423,898 |
| Total Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | | | | <u>1,212,937</u> |
| Total Department of Education | | | | <u>1,479,350</u> |
| Department of Health and Human Services Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | Colorado Department of Education | 7354 | 86,914 |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | | | | <u>86,914</u> |
| Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | | | | <u>86,914</u> |
| Total Department of Health and Human Services | | | | <u>86,914</u> |
| United States Department of Agriculture Child and Adult Care Food Program | 10.558 | Colorado Department of Public Health and Environment | 4558 | 26,296 |
| Child and Adult Care Food Program | | | | <u>26,296</u> |
| Total Child and Adult Care Food Program | | | | <u>26,296</u> |
| Child Nutrition Discretionary Grants Limited Availability Child Nutrition Discretionary Grants Limited Availability | 10.579 | Colorado Department of Education | 5579 | 8,655 |
| Total Child Nutrition Discretionary Grants Limited Availability | | | | <u>8,655</u> |
| Fresh Fruit and Vegetable Program Fresh Fruit and Vegetable Program | 10.582 | Colorado Department of Education | 4582 | 12,596 |
| Total Fresh Fruit and Vegetable Program | | | | <u>12,596</u> |
| Pandemic EBT Administrative Costs Pandemic EBT Administrative Costs | 10.649 | Colorado Department of Education | 4649 | 1,281 |
| Total Pandemic EBT Administrative Costs | | | | <u>1,281</u> |
| Total United States Department of Agriculture | | | | <u>48,828</u> |
| Total Other Programs | | | | <u>1,615,092</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 1,877,364</u> |

The accompanying notes are an integral part of this schedule

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Crowley County School District Number RE-1-J and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2 INDIRECT COST RATES

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3 FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

NOTE 4 SUBRECIPIENT PAYMENTS

No amounts of federal financial assistance were passed through to subrecipients in the year ended June 30, 2023.