

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**FINANCIAL STATEMENTS**

**June 30, 2023**

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## FINANCIAL SECTION



## JOHN CUTLER & ASSOCIATES

Board of Education  
Gilpin County School District RE-1  
Black Hawk, Colorado

### INDEPENDENT AUDITORS' REPORT

#### Report on the Financial Statements

##### *Opinions*

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

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

##### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in The United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gilpin County School District RE-1 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the required budgetary and pension information on pages 40-44 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 (GASB) 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.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion is not affected by this missing information.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents, 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 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*John Luttrell & Associates, LLC*

May 19, 2025

## **BASIC FINANCIAL STATEMENTS**

GILPIN COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF NET POSITION

June 30, 2023

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>ASSETS</b>                                   |                            |
| Cash and Investments                            | \$ 11,903,188              |
| Taxes Receivable                                | 67,558                     |
| Grants Receivable                               | 104,281                    |
| Accounts Receivable                             | 32,435                     |
| Inventories                                     | 7,520                      |
| Capital Assets, Not Depreciated                 | 594,879                    |
| Capital Assets, Depreciated                     |                            |
| Net of Accumulated Depreciation                 | <u>16,620,472</u>          |
| <b>TOTAL ASSETS</b>                             | <u>29,331,128</u>          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |
| Related to Pensions                             | 1,729,655                  |
| Related to OPEB                                 | <u>46,666</u>              |
| <b>TOTAL DEFERRED OUTFLOWS<br/>OF RESOURCES</b> | <u>1,776,321</u>           |
| <b>LIABILITIES</b>                              |                            |
| Accounts Payable                                | 75,630                     |
| Accrued Salaries and Benefits                   | 531,547                    |
| Unearned Revenues                               | 245,359                    |
| Noncurrent Liabilities                          |                            |
| Net Pension Liability                           | 8,380,842                  |
| Net OPEB Liability                              | 285,717                    |
| Due Within One Year                             | 10,744                     |
| Due in More Than One Year                       | <u>99,177</u>              |
| <b>TOTAL LIABILITIES</b>                        | <u>9,629,016</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                            |
| Related to Pensions                             | 1,972,337                  |
| Related to OPEB                                 | <u>170,966</u>             |
| <b>TOTAL DEFERRED INFLOWS<br/>OF RESOURCES</b>  | <u>2,143,303</u>           |
| <b>NET POSITION</b>                             |                            |
| Net Investment in Capital Assets                | 17,105,430                 |
| Restricted for Emergencies                      | 344,000                    |
| Unrestricted                                    | <u>1,885,700</u>           |
| <b>TOTAL NET POSITION</b>                       | <u>\$ 19,335,130</u>       |

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

| FUNCTIONS/PROGRAMS             | Expenses         | PROGRAM REVENUES        |  |  | Net (Expense)<br>Revenue and<br>and Changes in<br>Net Position |
|--------------------------------|------------------|-------------------------|--|--|--|
|                                |                  | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>PRIMARY GOVERNMENT</b>      |                  |                         |  |  |  |
| <b>Governmental Activities</b> |                  |                         |  |  |  |
| Instruction                    | \$ 4,085,865     | \$ -                    | \$ 610,771                               | \$ -                                   | \$ (3,475,094)   |
| Supporting Services            | 4,265,449        | 98,680                  | 2,074,676                                | -                                      | (2,092,093)  |
| Total Governmental Activities  | <u>8,351,314</u> | <u>98,680</u>           | <u>2,685,447</u>                         | <u>-</u>                               | (5,567,187)  |
| <b>GENERAL REVENUES</b>        |                  |                         |  |  |  |
|                                |                  |                         |  |  | 3,418,262  |
|                                |                  |                         |  |  | 261,951  |
|                                |                  |                         |  |  | 2,433,027  |
|                                |                  |                         |  |  | 227,035  |
|                                |                  |                         |  |  | 368,769  |
|                                |                  |                         |  |  | <u>222,389</u>   |
|                                |                  |                         |  |  | <u>6,931,433</u>   |
|                                |                  |                         |  |  | 1,364,246  |
|                                |                  |                         |  |  | <u>17,970,884</u>  |
|                                |                  |                         |  |  | <u>\$ 19,335,130</u>   |

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

|  | GENERAL             | CAPITAL<br>PROJECTS | NONMAJOR<br>FUNDS | TOTALS               |
|--|---------------------|---------------------|-------------------|----------------------|
| <b>ASSETS</b>                              |                     |                     |                   |                      |
| Cash and Investments                       | \$ 9,134,945        | \$ 2,393,424        | \$ 374,819        | 11,903,188           |
| Taxes Receivable                           | 67,558              | -                   | -                 | 67,558               |
| Grants Receivable                          | 104,281             | -                   | -                 | 104,281              |
| Accounts Receivable                        | -                   | -                   | 32,435            | 32,435               |
| Inventories                                | -                   | -                   | 7,520             | 7,520                |
| Prepaid Expenses                           | 795                 | -                   | -                 | 795                  |
| Due from Other Funds                       | 2,100               | -                   | -                 | 2,100                |
| <b>TOTAL ASSETS</b>                        | <u>\$ 9,309,679</u> | <u>\$ 2,393,424</u> | <u>\$ 414,774</u> | <u>\$ 12,117,877</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                     |                   |                      |
| <b>LIABILITIES</b>                         |                     |                     |                   |                      |
| Accounts Payable                           | \$ 10,000           | \$ -                | \$ 65,630         | \$ 75,630            |
| Accrued Salaries and Benefits              | 531,547             | -                   | -                 | 531,547              |
| Due to Other Funds                         | -                   | -                   | 2,100             | 2,100                |
| Unearned Revenues                          | -                   | -                   | 245,359           | 245,359              |
| Deferred Tax Revenues                      | 28,860              | -                   | -                 | 28,860               |
| <b>TOTAL LIABILITIES</b>                   | <u>570,407</u>      | <u>-</u>            | <u>313,089</u>    | <u>883,496</u>       |
| <b>FUND BALANCES</b>                       |                     |                     |                   |                      |
| Nonspendable                               | 795                 | -                   | 7,520             | 8,315                |
| Restricted for Emergencies                 | 344,000             | -                   | -                 | 344,000              |
| Restricted for Transportation              | -                   | 2,393,424           | (25,795)          | 2,367,629            |
| Restricted for Grant                       | -                   | -                   | 23,119            | 23,119               |
| Restricted for Food Service                | -                   | -                   | 6,851             | 6,851                |
| Assigned for Student Activities            | -                   | -                   | 89,990            | 89,990               |
| Unassigned                                 | 8,394,477           | -                   | -                 | 8,394,477            |
| <b>TOTAL FUND BALANCES</b>                 | <u>8,739,272</u>    | <u>2,393,424</u>    | <u>101,685</u>    | <u>11,234,381</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 9,309,679</u> | <u>\$ 2,393,424</u> | <u>\$ 414,774</u> | <u>\$ 12,117,877</u> |

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

|  |                      |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.   | 17,215,351           |
| Long-term liabilities, including lease payable (\$22,031) and accrued compensated absences of (\$87,890) are not due and payable in the current period and are not reported in the funds.  | (109,921)            |
| Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax is not available.   | 28,860               |
| Long-term liabilities and assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$8,380,842), net OPEB liability (\$285,717), deferred outflows related to pensions and OPEB \$1,776,321, and deferred inflows related to pensions and OPEB (\$2,143,303). | (9,033,541)          |
| Net position of governmental activities  | <u>\$ 19,335,130</u> |

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023

|   | GENERAL             | CAPITAL<br>PROJECTSS | NONMAJOR<br>FUNDS | TOTALS               |
|---|---------------------|----------------------|-------------------|----------------------|
| REVENUES  |                     |                      |                   |                      |
| Local Sources                                       | \$ 5,782,549        | \$ -                 | \$ 153,709        | \$ 5,936,258         |
| State Sources                                       | 2,757,651           | -                    | 456,166           | 3,213,817            |
| Federal Sources                                     | 78,966              | -                    | 235,270           | 314,236              |
| <br>TOTAL REVENUES                                  | <br>8,619,166       | <br>-                | <br>845,145       | <br>9,464,311        |
| EXPENDITURES  |                     |                      |                   |                      |
| Current   |                     |                      |                   |                      |
| Instruction   | 3,639,873           | -                    | -                 | 3,639,873            |
| Supporting Services                                 | 2,425,229           | -                    | 1,066,907         | 3,492,136            |
| Capital Outlay                                      | -                   | 147,042              | -                 | 147,042              |
| <br>TOTAL EXPENDITURES                              | <br>6,065,102       | <br>147,042          | <br>1,066,907     | <br>7,279,051        |
| <br>EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | <br>2,554,064       | <br>(147,042)        | <br>(221,762)     | <br>2,185,260        |
| OTHER FINANCING SOURCES (USES)                      |                     |                      |                   |                      |
| Transfers In  | -                   | 467,067              | 214,312           | 681,379              |
| Transfers Out                                       | (681,379)           | -                    | -                 | (681,379)            |
| <br>TOTAL OTHER FINANCING<br>SOURCES (USES)         | <br>(681,379)       | <br>467,067          | <br>214,312       | <br>-                |
| <br>NET CHANGE IN FUND BALANCES                     | <br>1,872,685       | <br>320,025          | <br>(7,450)       | <br>2,185,260        |
| FUND BALANCES, Beginning                            | 6,989,087           | 2,408,242            | 109,135           | 9,506,464            |
| <br>PRIOR PERIOD ADJUSTMENT                         | <br>(122,500)       | <br>(334,843)        | <br>-             | <br>(457,343)        |
| FUND BALANCES, Beginning, as restated               | 6,866,587           | 2,073,399            | 109,135           | 9,049,121            |
| FUND BALANCES, Ending                               | <u>\$ 8,739,272</u> | <u>\$ 2,393,424</u>  | <u>\$ 101,685</u> | <u>\$ 11,234,381</u> |

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2023

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

|  |                            |
|--|----------------------------|
| Net change in fund balances - total governmental funds   | \$ 2,185,260               |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation (\$484,804) exceeded capital outlay of \$417,512, in the current period. | (67,292)                   |
| Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.   | (810,427)                  |
| Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These are capital lease payments and changes in accrued compensated absences.  | <u>27,845</u>              |
| Change in net position of governmental activities  | <u><u>\$ 1,364,246</u></u> |

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

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).

**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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

*Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Building Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

In the fund financial statements, the District reports the following major funds:

The *General Fund* is the District's primary operating fund; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

The *Capital Reserve Fund* is used to account for the accumulation of resources to construct a building and acquire capital assets.

**Assets, Liabilities and Fund Balance/Net Position**

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

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

*Receivables* – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Inventories* – Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Fund Balance/Net Position** (Continued)

*Due To and Due From Other Funds* – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

*Capital Assets* – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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.

*Deferred Outflows/Inflows of Resources* - In addition to assets, the statement of financial position and balance sheets 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 and fund balance 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 the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

*Unearned Revenues* – The unearned revenues include amounts received but not yet available for expenditure.

*Vacation, Sick Leave, and Other Compensated Absences* – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. These compensated absences are recognized as current salary costs when accrued in the proprietary fund types and when paid in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Fund Balance/Net Position** (Continued)

*Long-Term Debt* – 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 governmental activities, business-type activities, or proprietary funds. The District records long-term debt of governmental funds at face value. Capital leases are serviced from property taxes and other revenues of the General Fund.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

*Net Position*– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third party limitation on their use. While School management may have categorized and segmented portion for various purposes, the School Board has the unrestricted right to revisit or alter these managerial decisions.

*Fund Balance Classification* – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District considers its prepaid expenses and inventories as nonspendable as of June 30, 2023.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Fund Balance/Net Position** (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – These amounts do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balances.

**Property Tax Revenues**

Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November. Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

Budgets are adopted for all funds, on a basis consistent with generally accepted accounting principles. 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. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- 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.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30).
- Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal year-end because they have lapsed and are pending reinstatement.

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 3: CASH AND INVESTMENTS**

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

|                            |                             |
|----------------------------|-----------------------------|
| Deposits                   | \$ 776,480                  |
| Investments                | <u>11,126,708</u>           |
| Total Cash and Investments | <b><u>\$ 11,903,188</u></b> |

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations.

At June 30, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2023, the District had deposits with financial institutions with a carrying amount of \$776,480. The bank balances with the financial institutions were \$802,539. Of these balances, \$250,000 was covered by federal depository insurance and \$552,539 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado school districts.

Local Government Investment Pools

The District had invested \$11,126,708 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions.

Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 4: INTERFUND BALANCES AND TRANSFERS**

Interfund Balances at June 30, 2023 are as follows:

| <u>Transfers To Other Funds</u> | <u>Transfers From Other Funds</u> | <u>Amount</u>            |
|---------------------------------|-----------------------------------|--------------------------|
| General Fund                    | Food Service Fund                 | \$ 60,875                |
| General Fund                    | Transportation Fund               | 153,437                  |
| General Fund                    | Capital Projects                  | <u>467,067</u>           |
| <b>Total</b>                    |                                   | <b><u>\$ 681,379</u></b> |

The transfers from the General Fund were made to offset additional operating and capital costs. These transfers are budgeted annually.

**NOTE 5: CAPITAL ASSETS**

|   | Balances<br><u>6/30/2022</u> | <u>Additions</u>          | <u>Deletions</u>   | Balances<br><u>6/30/2023</u> |
|---|------------------------------|---------------------------|--------------------|------------------------------|
| <b>Governmental Activities</b>                  |                              |                           |                    |                              |
| Capital Assets, not depreciated                 |                              |                           |                    |                              |
| Land  | \$ 434,588                   | \$ -                      | \$ -               | \$ 434,588                   |
| Construction in Progress                        | <u>160,291</u>               | -                         | -                  | <u>160,291</u>               |
| Capital Assets, not depreciated                 | <u>594,879</u>               | -                         | -                  | <u>594,879</u>               |
| Capital Assets, depreciated                     |                              |                           |                    |                              |
| Buildings and Site Improvements                 | 25,456,705                   | 386,375                   | -                  | 25,843,080                   |
| Transportation Equipment                        | 780,383                      | -                         | -                  | 780,383                      |
| Food Service Equipment                          | 51,559                       | -                         | -                  | 51,559                       |
| Other Machinery and Equipment                   | <u>961,155</u>               | <u>31,137</u>             | -                  | <u>992,292</u>               |
| Total Capital Assets, depreciated               | <u>27,249,802</u>            | <u>417,512</u>            | -                  | <u>27,667,314</u>            |
| Less Accumulated Depreciation                   |                              |                           |                    |                              |
| Buildings and Site Improvements                 | 9,359,643                    | 391,384                   | -                  | 9,751,027                    |
| Transportation Equipment                        | 546,733                      | 40,695                    | -                  | 587,428                      |
| Food Service Equipment                          | 48,752                       | 1,403                     | -                  | 50,155                       |
| Other Machinery and Equipment                   | <u>606,910</u>               | <u>51,322</u>             | -                  | <u>658,232</u>               |
| Total Accumulated Depreciation                  | <u>10,562,038</u>            | <u>484,804</u>            | -                  | <u>11,046,842</u>            |
| Total Capital Assets, depreciated, Net          | <u>16,687,764</u>            | <u>(67,292)</u>           | -                  | <u>16,620,472</u>            |
| Governmental Activities,<br>Capital Assets, Net | <b><u>\$ 17,282,643</u></b>  | <b><u>\$ (67,292)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 17,215,351</u></b>  |

Depreciation expense was charged to the supporting services function of the District.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 6: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2023, are estimated to be \$531,547. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

**NOTE 7: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended June 30, 2023.

|                                    | Balance<br><u>6/30/2022</u> | <u>Additions</u> | <u>Reductions</u> | Balance<br><u>6/30/2023</u> | Due In<br><u>One Year</u> |
|------------------------------------|-----------------------------|------------------|-------------------|-----------------------------|---------------------------|
| <b>Debt from Direct Borrowings</b> |                             |                  |                   |                             |                           |
| <b>Direct Placements</b>           |                             |                  |                   |                             |                           |
| Copier Lease Payable               | \$ 32,293                   | \$ -             | \$ 10,262         | \$ 22,031                   | \$ 10,744                 |
| Compensated Absences               | <u>105,473</u>              | <u>-</u>         | <u>17,583</u>     | <u>87,890</u>               | <u>-</u>                  |
| Total                              | <u>\$ 137,766</u>           | <u>\$ -</u>      | <u>\$ 27,845</u>  | <u>\$ 109,921</u>           | <u>\$ 10,744</u>          |

Compensated absences are expected to be liquidated with revenues of the General Fund.

**Capital Lease Payable – Direct Borrowing**

In July 2020, the District entered into a capital lease agreement for the purchase of copiers. The new lease bears an estimated interest at 5.60% and requires 60 monthly payments of \$961 through June 2025 including maintenance and supplies. The underlying equipment capitalized under this lease has a remaining value of \$36,019 as of June 30, 2022. In the event of default, the Lessor may retain the security deposit and/or terminate or cancel the agreement. The Lessor may require all sums due under the agreement with the unpaid balance discounted at present value rates, the amount of any purchase option and if none is specified, 20% of the original equipment cost will represent an anticipated residual value, interest may be recovered on any unpaid balance at an annual rate of 8%.

The Lessor may use any remedies available under Article 2A of the Uniform Commercial Code. Fees liable to the Lessee associated with right to remedy may include reasonable attorney’s fees, actual court costs and repossession costs. The Lessee may be required to return the equipment to a location designated by the Lessor. The net proceeds of the sale of any repossessed equipment will be credited against what is owed.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 8: JOINTLY GOVERNED ORGANIZATIONS**

**BOCES**

Not reflected in the accompanying financial statements is the District's participation in the Mt. Evans Board of Cooperative Educational Services (BOCES). The District is a participant among three districts in a jointly governed organization to operate the BOCES. The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119 Black Hawk, CO 80422 or from their website, <http://mtevboces.com/financial-transparency/>.

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

Employer contribution requirements are summarized in the table below:

|  | July 1, 2022<br>Through<br>June 30,<br>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%                                       |
| <b>Total employer contribution rate to the SCHDTF</b>  | <b>20.38%</b>                               |

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$729,732 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).

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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

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

At June 30, 2023, the District reported a liability of \$8,380,842 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity.

The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

|   |              |
|---|--------------|
| The District’s proportionate share of the net pension liability   | \$8,380,842  |
| The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District. | 1,891,159    |
| Total   | \$10,272,001 |

At December 31, 2022, the District’s proportion was .04602%, which was a decrease of .00612% from its proportion measured as of December 31, 2021.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$1,739,905 and revenue of \$222,389 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Difference between expected and actual experience   | \$79,316                              | N/A                                  |
| Changes of assumptions or other inputs  | 148,452                               | N/A                                  |
| Net difference between projected and actual earnings on pension plan investments                                | 1,125,856                             | N/A                                  |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | N/A                                   | \$1,972,337                          |
| Contributions subsequent to the measurement date  | 376,031                               | N/A                                  |
| Total   | \$1,729,655                           | \$1,972,337                          |

\$376,031 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:

| <b>Year ended June 30:</b> |             |
|----------------------------|-------------|
| 2024                       | (\$587,714) |
| 2025                       | (\$513,287) |
| 2026                       | (\$172,574) |
| 2027                       | \$654,862   |

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (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 <sup>1</sup>  | Financed by the AIR |

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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:

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

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:

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), 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.

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

|  | 1% Decrease<br>(6.25%) | Current Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension | \$10,967,640           | \$8,380,842                      | \$6,220,602            |

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

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

Investments are reported at fair value.

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

*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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**General Information about the OPEB Plan** (Continued)

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

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

*PERA Benefit Structure*

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

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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**General Information about the OPEB Plan** (Continued)

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$34,780 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$285,717 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

At December 31, 2022, the District's proportion was 0.03499%, which was an increase of 0.00095% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$57,423. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected and actual experience   | \$37                                      | \$69,096                                 |
| Changes of assumptions or other inputs  | 4,592                                     | 31,534                                   |
| Net difference between projected and actual earnings on OPEB plan investments                                   | 17,451                                    | N/A                                      |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 6,664                                     | 70,336                                   |
| Contributions subsequent to the measurement date  | 17,922                                    | N/A                                      |
| Total   | \$46,666                                  | \$170,966                                |

\$17,922 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:

| <b>Year ended:</b> |            |
|--------------------|------------|
| 2024               | (\$48,209) |
| 2025               | (\$48,745) |
| 2026               | (\$36,703) |
| 2027               | (\$4,925)  |
| 2028               | (\$3,639)  |

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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.

**Age-Related Morbidity Assumptions**

| <b>Participant Age</b> | <b>Annual Increase (Male)</b> | <b>Annual Increase (Female)</b> |
|------------------------|-------------------------------|---------------------------------|
| 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%                            |

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

| <b>Year</b> | <b>PERACare<br/>Medicare Plans</b> | <b>Medicare Part A<br/>Premiums</b> |
|-------------|------------------------------------|-------------------------------------|
| 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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

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

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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 current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

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

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%.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

|   | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---|----------------------------|---------------------|----------------------------|
| Initial PERACare Medicare trend rate <sup>1</sup> | 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                                | \$277,629                  | \$285,717           | \$294,516                  |

<sup>1</sup>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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

|   | 1% Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$331,230              | \$285,717                           | \$246,788              |

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

**NOTE 11: RISK MANAGEMENT**

The District carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker’s compensation, property and liability, bond, and errors and omissions. The District carries property, liability and bond coverage and workers compensation coverage through commercial insurance carriers. Risk of loss transfers to those carriers. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2023.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The District participates in a number of federal and state 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 but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

**Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1998, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1996-97 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A reservation of equity in the General Fund in the amount of \$344,000 has been recorded as an emergency reserve in accordance with the Amendment.

**NOTE 13: SUBSEQUENT EVENTS**

Potential subsequent events were considered through May 19, 2025. It was determined that the following event should be disclosed:

In March 2024, a Series 2024 Direct Lease through Huntington National Bank was entered into for an amount of \$4.2 million at 4.77% interest rate, due 12/1/2033, for the purpose of constructing improvements to the District's wastewater system, including the connection of the District's wastewater pipeline to the wastewater facilities of Black Hawk Central City Sanitation District.

**NOTE 14: PRIOR PERIOD ADJUSTMENTS**

The beginning fund balance of the Capital Project Fund was decreased by \$334,843 to record prior year deferred grant revenue. The General Fund decreased by a net amount of (\$122,500) to account for unrecorded payroll liabilities (\$95,735), to correct cash balances (\$126,810) and recognize previous year unrecorded Black Hawk education enhancement revenues, \$100,045.

**REQUIRED SUPPLEMENTARY INFORMATION**

GILPIN COUNTY SCHOOL DISTRICT RE-1

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|  | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL           | VARIANCE<br>Positive<br>(Negative) |
|--|--------------------|------------------|------------------|------------------------------------|
| REVENUES                                     |                    |                  |                  |                                    |
| Local Sources                                | \$ 4,527,074       | \$ 4,708,074     | \$ 5,782,549     | \$ 1,074,475                       |
| State Sources                                | 2,648,981          | 2,655,348        | 2,757,651        | 102,303                            |
| Federal Sources                              | 145,763            | 145,763          | 78,966           | (66,797)                           |
| <b>TOTAL REVENUES</b>                        | <b>7,321,818</b>   | <b>7,509,185</b> | <b>8,619,166</b> | <b>1,109,981</b>                   |
| EXPENDITURES                                 |                    |                  |                  |                                    |
| Instruction                                  | 4,094,592          | 4,140,058        | 3,639,873        | 500,185                            |
| Student Support Services                     | 342,874            | 344,574          | 284,522          | 60,052                             |
| Instructional Staff Support Services         | 51,232             | 80,232           | 60,130           | 20,102                             |
| General Administration Support Services      | 378,359            | 470,874          | 459,580          | 11,294                             |
| School Administration Support Services       | 434,304            | 438,304          | 401,712          | 36,592                             |
| Business Support Services                    | 63,200             | 64,200           | 79,455           | (15,255)                           |
| Operations and Maintenance of Plant Services | 945,083            | 1,032,083        | 927,295          | 104,788                            |
| Central Support Services                     | 293,496            | 226,496          | 212,535          | 13,961                             |
| Reserves                                     | 3,058,692          | 199,000          | -                | 199,000                            |
| <b>TOTAL EXPENDITURES</b>                    | <b>9,661,832</b>   | <b>6,995,821</b> | <b>6,065,102</b> | <b>930,719</b>                     |
| OTHER FINANCING SOURCES (USES)               |                    |                  |                  |                                    |
| Transfers to Other Funds                     | (704,363)          | (712,363)        | (681,379)        | 30,984                             |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>  | <b>(704,363)</b>   | <b>(712,363)</b> | <b>(681,379)</b> | <b>30,984</b>                      |
| <b>CHANGE IN FUND BALANCE</b>                | <b>(3,044,377)</b> | <b>(198,999)</b> | <b>1,872,685</b> | <b>2,071,684</b>                   |
| FUND BALANCES, Beginning                     | 4,044,377          | 5,224,377        | 6,989,087        | 1,764,710                          |
| Prior Period Adjustment                      | -                  | -                | (122,500)        | (122,500)                          |
| FUND BALANCES, Beginning, as restated        | 4,044,377          | 5,224,377        | 6,866,587        | 1,642,210                          |
| FUND BALANCES, Ending                        | \$ 1,000,000       | \$ 5,025,378     | \$ 8,739,272     | \$ 3,713,894                       |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended December 31,  
 (School Division Trust Fund Measurement Date)

|  | 2013         | 2014         | 2015         | 2016          | 2017          | 2018          | 2019         | 2020         | 2021         | 2022          |
|--|--------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|
| District's proportionate share of the Net Pension Liability  | 0.0672%      | 0.0632%      | 0.0636%      | 0.0622%       | 0.0619%       | 0.0536%       | 0.0539%      | 0.0613%      | 0.0521%      | 0.0460%       |
| District's proportionate share of the Net Pension Liability  | \$ 8,570,743 | \$ 8,562,897 | \$ 9,729,850 | \$ 18,531,734 | \$ 20,031,717 | \$ 9,498,368  | \$ 8,051,298 | \$ 9,262,606 | \$ 6,068,436 | \$ 8,380,842  |
| State of Colorado's Proportionate Share of the Net Pension Liability associated with the District  | -            | -            | -            | -             | -             | 2,013,342     | 501,556      | -            | 624,121      | 1,891,159     |
| Total portion of the Net Pension Liability associated with the District                            | \$ 8,570,743 | \$ 8,562,897 | \$ 9,729,850 | \$ 18,531,734 | \$ 20,031,717 | \$ 11,511,710 | \$ 8,552,854 | \$ 9,262,606 | \$ 6,692,557 | \$ 10,272,001 |
| District's covered payroll   | \$ 2,708,854 | \$ 2,646,751 | \$ 2,772,430 | \$ 2,793,517  | \$ 2,857,581  | \$ 2,948,978  | \$ 1,608,572 | \$ 3,319,009 | \$ 3,258,969 | \$ 3,258,969  |
| District's proportionate share of the Net Pension Liability as a percentage of its covered payroll | 316.4%       | 323.5%       | 351.0%       | 663.4%        | 701.0%        | 390.4%        | 531.7%       | 279.1%       | 205.4%       | 315.2%        |
| Plan fiduciary net position as a percentage of the total pension liability                         | 64.1%        | 62.8%        | 59.2%        | 43.1%         | 44.0%         | 57.0%         | 64.5%        | 67.0%        | 74.9%        | 61.8%         |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended June 30,

|  | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contributions                                     | \$ 420,685   | \$ 434,862   | \$ 480,463   | \$ 506,464   | \$ 532,367   | \$ 564,139   | \$ 609,809   | \$ 643,224   | \$ 647,883   | \$ 729,732   |
| Contributions in relation to the<br>Statutorily required contributions | 420,685      | 434,862      | 480,463      | 506,464      | 532,367      | 564,139      | 609,809      | 643,224      | 647,883      | 729,732      |
| Contribution deficiency (excess)                                       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| District's covered payroll   | \$ 2,708,854 | \$ 2,646,751 | \$ 2,772,430 | \$ 2,793,517 | \$ 2,857,581 | \$ 2,948,978 | \$ 3,146,589 | \$ 3,319,009 | \$ 3,258,969 | \$ 3,409,965 |
| Contributions as a percentage of<br>covered payroll                    | 15.53%       | 16.43%       | 17.33%       | 18.13%       | 18.63%       | 19.13%       | 19.38%       | 19.38%       | 19.88%       | 21.40%       |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
HEALTH CARE TRUST FUND

Years Ended December 31,  
(Health Care Trust Fund Measurement Date)

|   | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportionate share of the Net OPEB Liability  | 0.0354%      | 0.0352%      | 0.0349%      | 0.0352%      | 0.0355%      | 0.0340%      | 0.0350%      |
|   | \$ 458,699   | \$ 457,439   | \$ 474,385   | \$ 395,862   | \$ 336,950   | \$ 293,593   | \$ 285,717   |
| District's proportionate share of the Net OPEB Liability  | \$ 2,793,517 | \$ 2,857,581 | \$ 2,948,978 | \$ 3,146,589 | \$ 3,319,009 | \$ 3,258,969 | \$ 3,258,969 |
| District's covered payroll  | 16.42%       | 16.01%       | 16.09%       | 12.58%       | 10.15%       | 9.01%        | 8.77%        |
| District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll | 16.7%        | 17.5%        | 17.0%        | 24.5%        | 32.8%        | 39.4%        | 38.6%        |

Notes

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 HEALTH CARE TRUST FUND

Years Ended June 30,

|   | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contributions                                  | \$ 28,494    | \$ 29,147    | \$ 30,080    | \$ 32,095    | \$ 33,854    | \$ 33,241    | \$ 34,780    |
| Contributions in relation to the Statutorily required contributions | 28,494       | 29,147       | 30,080       | 32,095       | 33,854       | 33,241       | 34,780       |
| Contribution deficiency (excess)                                    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| District's covered payroll  | \$ 2,793,517 | \$ 2,857,581 | \$ 2,948,978 | \$ 3,146,589 | \$ 3,319,009 | \$ 3,258,969 | \$ 3,409,965 |
| Contributions as a percentage of covered payroll                    | 1.02%        | 1.02%        | 1.02%        | 1.02%        | 1.02%        | 1.02%        | 1.02%        |

Notes

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

GILPIN COUNTY SCHOOL DISTRICT RE-1

CAPITAL RESERVE PROJECT FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|                                       | ORIGINAL<br>AND FINAL<br>BUDGET | ACTUAL              | VARIANCE<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------------|---------------------|------------------------------------|
| REVENUES                              |                                 |                     |                                    |
| State Sources                         | \$ 54,194                       | \$ -                | \$ (54,194)                        |
| TOTAL REVENUES                        | <u>54,194</u>                   | <u>-</u>            | <u>(54,194)</u>                    |
| EXPENDITURES                          |                                 |                     |                                    |
| Property                              | 437,568                         | 147,042             | 290,526                            |
| TOTAL EXPENDITURES                    | <u>437,568</u>                  | <u>147,042</u>      | <u>290,526</u>                     |
| OTHER FINANCING SOURCES               |                                 |                     |                                    |
| Transfers from Other Funds            | 383,374                         | 467,067             | 83,693                             |
| TOTAL OTHER FINANCING<br>SOURCES      | <u>383,374</u>                  | <u>467,067</u>      | <u>83,693</u>                      |
| CHANGE IN FUND BALANCE                | -                               | 320,025             | 320,025                            |
| FUND BALANCE, Beginning               | <u>2,536,478</u>                | <u>2,408,242</u>    | <u>(128,236)</u>                   |
| Prior Period Adjustment               | -                               | (334,843)           | (334,843)                          |
| FUND BALANCES, Beginning, as restated | <u>2,536,478</u>                | <u>2,073,399</u>    | <u>(463,079)</u>                   |
| FUND BALANCE, Ending                  | <u>\$ 2,536,478</u>             | <u>\$ 2,393,424</u> | <u>\$ 191,789</u>                  |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2023

|   | SPECIAL REVENUE  |                 |                   |                  | Totals            |
|---|------------------|-----------------|-------------------|------------------|-------------------|
|   | Food Service     | Transportation  | Grant             | Student Activity |                   |
| <b>ASSETS</b>                             |                  |                 |                   |                  |                   |
| Current Assets                            |                  |                 |                   |                  |                   |
| Cash and Investments                      | \$ -             | \$ -            | \$ 284,829        | \$ 89,990        | \$ 374,819        |
| Accounts Receivable                       | 18,937           | 4,508           | 8,990             | -                | 32,435            |
| Inventories                               | 7,520            | -               | -                 | -                | 7,520             |
| <b>TOTAL ASSETS</b>                       | <b>\$ 26,457</b> | <b>\$ 4,508</b> | <b>\$ 293,819</b> | <b>\$ 89,990</b> | <b>\$ 414,774</b> |
| <b>LIABILITIES</b>                        |                  |                 |                   |                  |                   |
| Accrued Expenses                          | 12,086           | 30,303          | 23,241            | -                | 65,630            |
| Unearned Revenues                         | -                | -               | 245,359           | -                | 245,359           |
| Due to Other Funds                        | -                | -               | 2,100             | -                | 2,100             |
| <b>TOTAL LIABILITIES</b>                  | <b>12,086</b>    | <b>30,303</b>   | <b>270,700</b>    | <b>-</b>         | <b>313,089</b>    |
| <b>FUND BALANCE</b>                       |                  |                 |                   |                  |                   |
| Nonspendable                              | 7,520            | -               | -                 | -                | 7,520             |
| Restricted for Food Service               | 6,851            | -               | -                 | -                | 6,851             |
| Restricted for Grant                      | -                | -               | 23,119            | -                | 23,119            |
| Restricted for Transportation             | -                | (25,795)        | -                 | -                | (25,795)          |
| Assigned for Student Activities           | -                | -               | -                 | 89,990           | 89,990            |
| Unassigned                                | -                | -               | -                 | -                | -                 |
| <b>TOTAL FUND BALANCES</b>                | <b>14,371</b>    | <b>(25,795)</b> | <b>23,119</b>     | <b>89,990</b>    | <b>101,685</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 26,457</b> | <b>\$ 4,508</b> | <b>\$ 293,819</b> | <b>\$ 89,990</b> | <b>\$ 414,774</b> |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year Ended June 30, 2023

|                                      | SPECIAL REVENUE |                 |                |                  | Totals           |
|--------------------------------------|-----------------|-----------------|----------------|------------------|------------------|
|                                      | Food Service    | Transportation  | Grant          | Student Activity |                  |
| REVENUES                             |                 |                 |                |                  |                  |
| Local Sources                        | \$ -            | \$ 153,709      | \$ -           | \$ -             | \$ 153,709       |
| State Sources                        | 64,474          | 63,644          | 328,048        | -                | 456,166          |
| Federal Sources                      | 88,461          | -               | 146,809        | -                | 235,270          |
| <b>TOTAL REVENUES</b>                | <b>152,935</b>  | <b>217,353</b>  | <b>474,857</b> | <b>-</b>         | <b>845,145</b>   |
| EXPENDITURES                         |                 |                 |                |                  |                  |
| Instructional Program                | -               | -               | -              | -                | -                |
| Operations and Maintenance           | -               | -               | -              | -                | -                |
| Transportation                       | -               | 396,585         | -              | -                | 396,585          |
| Grant                                | -               | -               | 451,738        | -                | 451,738          |
| Food Services                        | 218,584         | -               | -              | -                | 218,584          |
| Property                             | -               | -               | -              | -                | -                |
| <b>TOTAL EXPENDITURES</b>            | <b>218,584</b>  | <b>396,585</b>  | <b>451,738</b> | <b>-</b>         | <b>1,066,907</b> |
| EXCESS OF REVENUES OVER EXPENDITURES | (65,649)        | (179,232)       | 23,119         | -                | (221,762)        |
| OTHER FINANCING SOURCES (USES)       |                 |                 |                |                  |                  |
| Transfers In                         | 60,875          | 153,437         | -              | -                | 214,312          |
| <b>TOTAL OTHER FINANCING SOURCES</b> | <b>60,875</b>   | <b>153,437</b>  | <b>-</b>       | <b>-</b>         | <b>214,312</b>   |
| <b>NET CHANGE IN FUND BALANCE</b>    | <b>(4,774)</b>  | <b>(25,795)</b> | <b>23,119</b>  | <b>-</b>         | <b>(7,450)</b>   |
| FUND BALANCE, Beginning              | 19,145          | -               | -              | 89,990           | 109,135          |
| FUND BALANCE, Ending                 | \$ 14,371       | \$ (25,795)     | \$ 23,119      | \$ 89,990        | \$ 101,685       |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

FOOD SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|   | ORIGINAL<br>AND FINAL<br>BUDGET | ACTUAL              | VARIANCE<br>Positive<br>(Negative) |
|---|---------------------------------|---------------------|------------------------------------|
| REVENUES                                    |                                 |                     |                                    |
| Local Sources                               | \$ 1,043                        | \$ -                | \$ (1,043)                         |
| State Sources                               | 614                             | 64,474              | 63,860                             |
| Federal Sources                             | 148,912                         | 88,461              | (60,451)                           |
| <br>TOTAL REVENUES                          | <br><u>150,569</u>              | <br><u>152,935</u>  | <br><u>2,366</u>                   |
| EXPENDITURES                                |                                 |                     |                                    |
| Salaries                                    | 112,219                         | 70,091              | 42,128                             |
| Benefits                                    | 56,415                          | 22,688              | 33,727                             |
| Purchased Services                          | 400                             | -                   | 400                                |
| Food, Commodities and Supplies              | 152,195                         | 125,805             | 26,390                             |
| Reserves                                    | 19,145                          | -                   | 19,145                             |
| <br>TOTAL EXPENDITURES                      | <br><u>340,374</u>              | <br><u>218,584</u>  | <br><u>121,790</u>                 |
| <br>EXCESS OF REVENUES OVER<br>EXPENDITURES | <br><u>(189,805)</u>            | <br><u>(65,649)</u> | <br><u>124,156</u>                 |
| OTHER FINANCING SOURCES (USES)              |                                 |                     |                                    |
| Transfers from Other Funds                  | 170,660                         | 60,875              | (109,785)                          |
| <br>NET CHANGE IN<br>FUND BALANCE           | <br>(19,145)                    | <br>(4,774)         | <br>14,371                         |
| FUND BALANCE, Beginning                     | <u>19,145</u>                   | <u>19,145</u>       | <u>-</u>                           |
| FUND BALANCE, Ending                        | <u>\$ -</u>                     | <u>\$ 14,371</u>    | <u>\$ 14,371</u>                   |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

TRANSPORTATION FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|   | ORIGINAL<br>BUDGET | FINAL<br>BUDGET | ACTUAL      | VARIANCE<br>Positive<br>(Negative) |
|---|--------------------|-----------------|-------------|------------------------------------|
| REVENUES                                |                    |                 |             |                                    |
| Local Sources                           | \$ 147,351         | \$ 147,351      | \$ 153,709  | \$ 6,358                           |
| State Sources                           | 64,855             | 64,855          | 63,644      | (1,211)                            |
| TOTAL REVENUES                          | 212,206            | 212,206         | 217,353     | 5,147                              |
| EXPENDITURES                            |                    |                 |             |                                    |
| Salaries                                | 195,116            | 210,116         | 262,622     | (52,506)                           |
| Benefits                                | 76,890             | 76,890          | 74,753      | 2,137                              |
| Purchased Services                      | 47,229             | 35,229          | 10,997      | 24,232                             |
| Food, Commodities and Supplies          | 43,300             | 48,300          | 48,213      | 87                                 |
| TOTAL EXPENDITURES                      | 362,535            | 370,535         | 396,585     | (26,050)                           |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | (150,329)          | (158,329)       | (179,232)   | (20,903)                           |
| OTHER FINANCING SOURCES (USES)          |                    |                 |             |                                    |
| Transfers from Other Funds              | 150,329            | 158,329         | 153,437     | (4,892)                            |
| NET CHANGE IN<br>FUND BALANCE           | -                  | -               | (25,795)    | (25,795)                           |
| FUND BALANCE, Beginning                 | -                  | -               | -           | -                                  |
| FUND BALANCE, Ending                    | \$ -               | \$ -            | \$ (25,795) | \$ (25,795)                        |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

GRANT FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|   | ORIGINAL<br>AND FINAL<br>BUDGET | ACTUAL             | VARIANCE<br>Positive<br>(Negative) |
|---|---------------------------------|--------------------|------------------------------------|
| REVENUES                                    |                                 |                    |                                    |
| Local Sources                               | \$ -                            | \$ -               | \$ -                               |
| State Sources                               | 352,294                         | 328,048            | (24,246)                           |
| Federal Sources                             | 398,129                         | 146,809            | (251,320)                          |
| <br>TOTAL REVENUES                          | <br><u>750,423</u>              | <br><u>474,857</u> | <br><u>(275,566)</u>               |
| EXPENDITURES                                |                                 |                    |                                    |
| Salaries                                    | 219,427                         | 78,219             | 141,208                            |
| Benefits                                    | 70,823                          | 46,785             | 24,038                             |
| Purchased Services                          | 26,955                          | -                  | 26,955                             |
| Food, Commodities and Supplies              | 27,475                          | 6,709              | 20,766                             |
| Property                                    | 298,700                         | 320,025            | (21,325)                           |
| Other                                       | 52,849                          | -                  | 52,849                             |
| <br>TOTAL EXPENDITURES                      | <br><u>696,229</u>              | <br><u>451,738</u> | <br><u>244,491</u>                 |
| <br>EXCESS OF REVENUES OVER<br>EXPENDITURES | <br><u>54,194</u>               | <br><u>23,119</u>  | <br><u>(31,075)</u>                |
| OTHER FINANCING SOURCES (USES)              |                                 |                    |                                    |
| Transfers from Other Funds                  | (54,194)                        | -                  | 54,194                             |
| <br>NET CHANGE IN FUND BALANCE              | <br>-                           | <br>23,119         | <br>23,119                         |
| FUND BALANCE, Beginning                     | -                               | -                  | -                                  |
| FUND BALANCE, Ending                        | <u>\$ -</u>                     | <u>\$ 23,119</u>   | <u>\$ 23,119</u>                   |

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

STUDENT ACTIVITY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended June 30, 2023

|                         | ORIGINAL<br>BUDGET | FINAL<br>BUDGET | ACTUAL    | VARIANCE<br>Positive<br>(Negative) |
|-------------------------|--------------------|-----------------|-----------|------------------------------------|
| REVENUES                |                    |                 |           |                                    |
| Local Sources           | \$ -               | \$ -            | \$ -      | \$ -                               |
| TOTAL REVENUES          | -                  | -               | -         | -                                  |
| EXPENDITURES            |                    |                 |           |                                    |
| Instructional Program   | -                  | -               | -         | -                                  |
| Reserves                | 110,879            | 109,458         | -         | 109,458                            |
| TOTAL EXPENDITURES      | 110,879            | 109,458         | -         | 109,458                            |
| CHANGE IN FUND BALANCE  | (110,879)          | (109,458)       | -         | 109,458                            |
| FUND BALANCE, Beginning | 110,879            | 109,458         | 89,990    | (19,468)                           |
| FUND BALANCE, Ending    | \$ -               | \$ -            | \$ 89,990 | \$ 89,990                          |

See the accompanying independent auditors' report.