

**HI-PLAINS SCHOOL DISTRICT R-23  
SEIBERT, COLORADO**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

HI-PLAINS SCHOOL DISTRICT R-23

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Hi-Plains School District R-23  
Seibert, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hi-Plains School District R-23 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Hi-Plains School District R-23, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hi-Plains School District R-23 as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Hi-Plains School District R-23 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hi-Plains School District R-23'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.

### Emphasis of Matter

As described in Note 12 to the financial statements, as of and for the year ended June 30, 2022, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hi-Plains School District R-23's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hi-Plains School District R-23's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hi-Plains School District R-23's basic financial statements. The supplementary information 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*DMC Auditing and Consulting, LLC*

May 28, 2025  
Bailey, Colorado

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

Management of Hi-Plains School District R-23 offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The focus of the information is on the primary government-general fund.

The District has adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*, the District is providing a comparative analysis of the government wide information.

Financial Highlights:

- At June 30, 2023, net position of the District was \$12,844,628 which is a decrease of \$202,997 from the prior year.
- The District has a negative unrestricted net position of \$593,237 as a result of showing a net pension liability related to PERA, net health care trust fund liability related to PERA, and a Bond Payable for matching funds of the BEST Grant.
- As of the close of the 2023 fiscal year, the District's governmental funds reported combined ending fund balances of \$2,690,558, an increase of \$8,594 from the previous year. However, the District had a prior period correction of errors of \$78,867 related to prior year property tax revenue recognition.
- The District had adequate funds available for all appropriations.

Overview of Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

The government-wide statements have only governmental activities.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

Governmental activities - all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

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

The District's total net position was \$12,844,628.

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2023	2022
<b>Assets:</b>		
Current Assets	\$ 2,988,583	\$ 3,000,820
BEST Grant Receivable / Right-to-Use Asset	11,673,944	11,951,895
Capital Assets – Net	2,901,074	2,784,968
Deferred Outflows of Resources	774,967	980,126
Capital Assets & Deferred Outflows of Resources	<u>18,338,568</u>	<u>18,717,809</u>
<b>Liabilities:</b>		
Current Liabilities	186,610	244,540
Non-current Liabilities	4,901,969	4,340,334
Deferred Inflows of Resources	405,361	1,006,443
Total Liabilities & Deferred Inflows of Financial Resources	<u>5,493,940</u>	<u>5,591,317</u>
<b>Net Position:</b>		
Net Invested in Capital Assets	12,899,845	13,060,698
Restricted Net Position	538,020	586,414
Unrestricted Net Position	(593,237)	(520,620)
Total Net Position(Deficit)	<u>12,844,628</u>	<u>13,126,492</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 18,338,568</u>	<u>\$ 18,717,809</u>

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

Financial Analysis of the District as a Whole:

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Hi-Plains School District R-23, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by approximately \$12,844,628, a decrease of \$202,997 from 2022.

Of the District's \$17,563,601 in assets, \$2,901,074, (16%), reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 5. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education \$1,385,540 (51%) and the property taxes assessed to District taxpayers \$1,213,161 (44%) of the total revenue. Specific Ownership Taxes was \$121,243 (5%).

Table 2 takes the information from that statement, rearranges it slightly, so you can see the total revenues for the year equals \$3,535,660.

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2023	2022*
<b>Program Revenues:</b>		
Charges for Services	\$3,415	\$108,323
Operating Grants	773,619	699,313
Capital Grants and Contributions	0	(277,951)
Total Program Revenues	777,034	529,685
<b>General Revenues:</b>		
Taxes	1,334,404	1,182,436
State Equalization	1,385,540	1,305,946
Investment Earnings	16,313	4,174
Miscellaneous Revenues	22,369	27,190
Total General Revenues	2,758,626	2,519,746
<b>Total Revenues</b>	<b>3,535,660</b>	<b>3,049,431</b>
<b>Expenses:</b>		
Instruction	1,631,254	841,292
Supporting Services	2,107,403	1,178,296
<b>Total Expenses</b>	<b>3,738,657</b>	<b>2,019,588</b>
Change in Net Position	(202,997)	1,029,843
Net Position - Beginning, As Originally Stated	13,126,492	-
Correction of an Error (Restatement)	(78,867)	-
Net Position - Beginning, As Restated	13,047,625	12,096,649
<b>Net Position Ending</b>	<b>\$12,844,628</b>	<b>\$13,126,492</b>

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

\*District recorded a correction of an error (beginning net position) in the amount of \$78,867 mainly related to the 2022 property tax revenue recognition.

The District Funds

At June 30, 2023, the District governmental funds reported a combined fund balance of \$2,690,558 which is a decrease of \$8,594. The primary reasons for this decrease are:

**General Fund**

General Fund revenues of \$2,991,049 increased by \$122,560 and expenditures of \$2,917,179 increased by \$416,654 in comparison to the previous year. Revenue excess over expenditures was \$73,870. The ending fund balance decreased by \$14,640 primarily due to the correction of an error in the beginning fund balance of \$68,180 and the significant increase in expenditures.

**Debt Service Fund**

Revenues from the tax levy for the construction of a new school building include \$215,393, and expenditures include interest expense and principal on bonds of \$194,309. This results in an increase in fund balance of \$21,084 leaving an ending fund balance of \$426,111. The fund also included a correction of an error in the prior year related to revenue recognition in the amount of \$10,687.

**Nonmajor Governmental Funds**

The nonmajor governmental funds consisting of the capital reserve fund, food service fund, and pupil activity fund had income of \$213,607 and expenditures of \$299,967, for a decrease in fund balance of \$86,360 before an operating transfer from the General Fund of \$88,510. The ending fund balance was \$172,926.

Financial Analysis of the District's Funds:

The financial condition of the school remains strong although the 2023 Ending Fund Balance in the General Fund decreased by \$14,640 compared to the Ending Fund Balance in 2022, which was corrected in the amount of \$68,180.

Budgets

No amendments were made to the budget.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

Capital Assets and Debt Administration

At June 30, 2023, the District had \$2,901,074 invested in capital assets. This represents an increase of \$116,106 because capital purchases exceeded depreciation expense.

	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>
<b>Governmental activities</b>				
Capital Assets not Being Depreciated:				
Land	\$ 107,286	\$ -	\$ -	\$ 107,286
Capital Assets Being Depreciated:				
Buildings and Improvements	2,903,513	39,169	-	2,942,682
Furniture and Equipment	159,846	-	-	159,846
Vehicles	538,946	187,520	-	726,466
Total Capital Assets Being Depreciated	<u>3,602,305</u>	<u>226,689</u>	<u>-</u>	<u>3,828,994</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(465,889)	(58,313)	-	(524,202)
Furniture and Equipment	(86,530)	(15,977)	-	(102,507)
Vehicles	(372,204)	(36,293)	-	(408,497)
Total Accumulated Depreciation	<u>(924,623)</u>	<u>(110,583)</u>	<u>-</u>	<u>(1,035,206)</u>
Capital Assets Being Depreciated, Net	<u>2,677,682</u>	<u>116,106</u>	<u>-</u>	<u>2,793,788</u>
<b>Net Capital Assets</b>	<u>\$ 2,784,968</u>	<u>\$ 116,106</u>	<u>\$ -</u>	<u>\$ 2,901,074</u>

Major capital assets purchased by the District during the year included two 15 passenger buses.

	<u>Balance 6/30/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/2023</u>	<u>Due Within One Year</u>
General Obligation Bonds, Series 2012	\$ 1,816,996	\$ -	\$ 141,823	\$ 1,675,173	\$ 146,086
Capital Leases Payable	4,813	-	4,813	-	-
Accrued Compensated Absences	4,207	-	1,820	2,387	-
<b>Total</b>	<u>\$ 1,826,016</u>	<u>\$ -</u>	<u>\$ 148,456</u>	<u>\$ 1,677,560</u>	<u>\$ 146,086</u>

Additional information on the long-term debt can be found in Note 5 of the audit report.

HI-PLAINS SCHOOL DISTRICT R-23  
Seibert, Colorado  
Management Discussion and Analysis  
For the Year Ended June 30, 2023

Economic Factors and Next Year's Budget and Rates:

Our 2022-23 school year has started with approximately 12 additional students. This will increase our state funding for the current year and the following year. The factors that will negatively affect our budget will include but not be limited to a decreased state share due to the "Budget Stabilization Factor" along with the TABOR amendment. The Budget Stabilization Factor (also formerly known as The Negative Factor) continues to hamper our ability to fund all programs. The COVID pandemic is still affecting our funding with increased costs for goods and services. The major factor that will positively affect our budget is the federal ESSER grant dollars. The most recent economic forecasts show stabilization to the State's economy.

The 2022-2023 budget was established in compliance with the Hi-Plains School District Board of Education's policy manual. The State of Colorado and the Nation are experiencing a teacher shortage which will have a direct impact on hiring new teachers to a rural area. While the state average for a teacher in Colorado is above \$50,000, our District is in the mid \$30,000's. It will be a challenge for us to recruit new teachers to our rural area.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Business Manager at Hi-Plains School District R-23, P.O. Box 238, Seibert, CO 80834.

## **BASIC FINANCIAL STATEMENTS**

**HI-PLAINS SCHOOL DISTRICT R-23**

## STATEMENT OF NET POSITION

June 30, 2023

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 2,858,537
Grants Receivable	5,317
Taxes Receivable	118,595
Inventories	6,134
BEST Grant Receivable / Right-to-Use Asset	11,673,944
Capital Assets, <i>Not Being Depreciated</i>	107,286
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>2,793,788</u>
TOTAL ASSETS	<u>17,563,601</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	736,478
OPEB, <i>Net of Accumulated Amortization</i>	<u>38,489</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>774,967</u>
LIABILITIES	
Accounts Payable	9,666
Accrued Salaries and Benefits	172,748
Accrued Interest Payable	4,196
Noncurrent Liabilities	
Due Within One Year	146,086
Due in More Than One Year	1,531,474
Net Pension Liability	3,118,123
Net OPEB Liability	<u>106,286</u>
TOTAL LIABILITIES	<u>5,088,579</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	358,837
OPEB, <i>Net of Accumulated Amortization</i>	<u>46,524</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>405,361</u>
NET POSITION	
Net Investment in Capital Assets	12,899,845
Restricted for:	
Debt Service	442,174
Emergencies	80,000
BEST Grant Reserve	12,900
Food Service	2,946
Unrestricted	<u>(593,237)</u>
TOTAL NET POSITION	<u>\$ 12,844,628</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

<u>FUNCTIONS / PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>
<u>PRIMARY GOVERNMENT</u>		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>PRIMARY GOVERNMENTAL ACTIVITIES</u>
<b>Governmental Activities</b>				
Instruction	\$ 1,631,254	\$ -	\$ 248,591	\$ (1,382,663)
Supporting Services	1,863,576	3,415	438,824	(1,421,337)
Food Services	191,467	-	86,204	(105,263)
Interest on Long-Term Debt	<u>52,360</u>	<u>-</u>	<u>-</u>	<u>(52,360)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 3,738,657</u></b>	<b><u>\$ 3,415</u></b>	<b><u>\$ 773,619</u></b>	<b><u>(2,961,623)</u></b>
<b>GENERAL REVENUES</b>				
				1,213,161
Local Property Taxes				121,243
Specific Ownership Taxes				1,385,540
State Equalization				16,313
Investment Income				<u>22,369</u>
Other				
<b>TOTAL GENERAL REVENUES</b>				<b><u>2,758,626</u></b>
<b>CHANGE IN NET POSITION</b>				<b>(202,997)</b>
<b>NET POSITION, Beginning, as Originally Stated</b>				<b>13,126,492</b>
<b>Correction of an Error (Restatement)</b>				<b><u>(78,867)</u></b>
<b>NET POSITION, Beginning, as Restated</b>				<b><u>13,047,625</u></b>
<b>NET POSITION, Ending</b>				<b><u>\$ 12,844,628</u></b>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2023

	GENERAL	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>				
Cash and Investments	\$ 2,260,792	\$ 423,127	\$ 174,618	\$ 2,858,537
Taxes Receivable	95,352	23,243	-	118,595
Grants Receivable	66	-	5,251	5,317
Interfund Receivables	-	-	103	103
Inventories	-	-	6,134	6,134
	<u>2,356,210</u>	<u>446,370</u>	<u>186,106</u>	<u>2,988,686</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,356,210</u></b>	<b>\$ <u>446,370</u></b>	<b>\$ <u>186,106</u></b>	<b>\$ <u>2,988,686</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,666	\$ -	\$ -	\$ 9,666
Accrued Salaries and Benefits	159,568	-	13,180	172,748
Interfund Payables	103	-	-	103
	<u>169,337</u>	<u>-</u>	<u>13,180</u>	<u>182,517</u>
<b>TOTAL LIABILITIES</b>	<b><u>169,337</u></b>	<b><u>-</u></b>	<b><u>13,180</u></b>	<b><u>182,517</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	<u>95,352</u>	<u>20,259</u>	<u>-</u>	<u>115,611</u>
<b>FUND BALANCES</b>				
Nonspendable Inventories	-	-	6,134	6,134
Restricted for:				
Debt Service	-	426,111	-	426,111
Emergencies	80,000	-	-	80,000
BEST Grant Reserve	12,900	-	-	12,900
Food Services	-	-	2,946	2,946
Assigned to:				
Capital Projects	-	-	108,443	108,443
Student Activities	-	-	55,403	55,403
Unassigned	<u>1,998,621</u>	<u>-</u>	<u>-</u>	<u>1,998,621</u>
<b>TOTAL FUND BALANCES</b>	<b><u>2,091,521</u></b>	<b><u>426,111</u></b>	<b><u>172,926</u></b>	<b><u>2,690,558</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ <u>2,356,210</u></b>	<b>\$ <u>446,370</u></b>	<b>\$ <u>186,106</u></b>	<b>\$ <u>2,988,686</u></b>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	2,690,558
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,901,074
Long-term assets are not available to pay current year expenditures and, therefore, are not reported in governmental funds		
Long-term BEST grant receivable		11,673,944
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		115,611
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(4,196)
Bonds Payable		(1,675,173)
Accrued Compensated Absences		(2,387)
Net Pension Liability		(3,118,123)
Pension-Related Deferred Outflows of Resources		736,478
Pension-Related Deferred Inflows of Resources		(358,837)
Net OPEB Liability		(106,286)
OPEB-Related Deferred Outflows of Resources		38,489
OPEB-Related Deferred Inflows of Resources		(46,524)
		12,844,628
Total Net Position of Governmental Activities	\$	12,844,628

**HI-PLAINS SCHOOL DISTRICT R-23**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2023

	GENERAL	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>				
Local Sources	\$ 1,044,054	\$ 215,393	\$ 127,403	\$ 1,386,850
State Sources	1,662,600	-	4,591	1,667,191
Federal Sources	284,395	-	81,613	366,008
<b>TOTAL REVENUES</b>	<b>2,991,049</b>	<b>215,393</b>	<b>213,607</b>	<b>3,420,049</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	1,387,221	-	-	1,387,221
Supporting Services	1,525,908	-	122,115	1,648,023
Food Services	-	-	177,485	177,485
Capital Outlay	-	-	367	367
<b>Debt Service</b>				
Principal	3,821	141,823	-	145,644
Interest and Fiscal Charges	229	52,486	-	52,715
<b>TOTAL EXPENDITURES</b>	<b>2,917,179</b>	<b>194,309</b>	<b>299,967</b>	<b>3,411,455</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>73,870</b>	<b>21,084</b>	<b>(86,360)</b>	<b>8,594</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	88,510	88,510
Transfers Out	(88,510)	-	-	(88,510)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(88,510)</b>	<b>-</b>	<b>88,510</b>	<b>-</b>
<b>CHANGE IN FUND BALANCES</b>	<b>(14,640)</b>	<b>21,084</b>	<b>2,150</b>	<b>8,594</b>
FUND BALANCES, Beginning, as Originally Stated	2,174,341	415,714	170,776	2,760,831
Correction of an Error (Restatement)	(68,180)	(10,687)	-	(78,867)
FUND BALANCES, Beginning, as Restated	2,106,161	405,027	170,776	2,681,964
FUND BALANCES, Ending	<u>\$ 2,091,521</u>	<u>\$ 426,111</u>	<u>\$ 172,926</u>	<u>\$ 2,690,558</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	8,594
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:		
Depreciation Expense		(110,583)
Capital Outlay		226,689
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant		
Amortization of BEST grant receivable		(277,951)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		
		115,611
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		146,636
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		355
Accrued Compensated Absences		1,820
Net Pension Liability		(719,835)
Pension-Related Deferred Outflows of Resources		(205,594)
Pension-Related Deferred Inflows of Resources		601,563
Net OPEB Liability		9,744
OPEB-Related Deferred Outflows of Resources		435
OPEB-Related Deferred Inflows of Resources		(481)
Change in Net Position of Governmental Activities	\$	<u><u>(202,997)</u></u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies**

The accounting policies of the Hi-Plains School District R-23 (the District) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

**Reporting Entity**

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. 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 has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

**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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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. *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*.

Separate financial statements are provided for the governmental funds. Major and non-major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

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

**HI-PLAINS SCHOOL DISTRICT R-23**  
**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)**

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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues 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.

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

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position**

*Cash and Investments* – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments (Certificates of Deposit) are reported at fair value.

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

*Interfund Receivables and Payables* - Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

*Capital Assets* - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more 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 the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Site Improvements	25-50 years
Vehicles	10-12 years
Equipment	5-10 years

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)**

*Deferred Outflows of Resources* - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

*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, are reported as a liability in the financial statements.

*Deferred Inflows of Resources* - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

*Long-Term Debt* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, 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 are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* – The District’s professional staff generally work on a contract basis that provides for an agreed number of working days each year. Personnel are paid at year end for any sick days accrued greater than 30 days. Sick leave is not paid out upon termination. Vacation paid accrued is paid out at termination.

*Pensions* - The District participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Postemployment Benefits Other Than Pensions (OPEB)* - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)**

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and their designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

**NOTE 2: Cash and Investments**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the District had bank deposits of \$2,517,312 collateralized with securities held by the financial institution's agent but not in the District's name.

**NOTE 3: Interfund Balances and Transfers**

During the fiscal year ended June 30, 2023, the General Fund transferred \$88,000 to the Food Service Fund to subsidize food and labor costs and \$510 to the Student Activity Fund to subsidize student activities.

At June 30, 2023, the General Fund owed the Food Service Fund \$103 for reimbursable grants received.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 4: Capital Assets**

Capital asset activity for the year ended June 30, 2023, is summarized below.

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 107,286	\$ -	\$ -	\$ 107,286
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,903,513	39,169	-	2,942,682
Furniture and Equipment	159,846	-	-	159,846
Vehicles	538,946	187,520	-	726,466
Total Capital Assets, Being Depreciated	3,602,305	226,689	-	3,828,994
Less Accumulated Depreciation:				
Buildings and Improvements	(465,889)	(58,313)	-	(524,202)
Furniture and Equipment	(86,530)	(15,977)	-	(102,507)
Vehicles	(372,204)	(36,293)	-	(408,497)
Total Accumulated Depreciation	(924,623)	(110,583)	-	(1,035,206)
Capital Assets, Being Depreciated, Net	2,677,682	116,106	-	2,793,788
Capital Assets, Governmental Activities, Net	\$ 2,784,968	\$ 116,106	\$ -	\$ 2,901,074

Depreciation expense of the governmental activities was charged to programs of the District as follows:

Instruction	\$ 55,924
Supporting Services	54,659
Total	\$ 110,583

**NOTE 5: Long-Term Debt**

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

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
<b>Governmental Activities</b>					
G.O .Bonds, Series 2012	\$ 1,816,996	\$ -	\$ 141,823	\$ 1,675,173	\$ 146,086
Copier Lease	4,813	-	4,813	-	-
Compensated Absences	4,207	-	1,820	2,387	-
Total Long-Term Debt	\$ 1,826,016	\$ -	\$ 148,456	\$ 1,677,560	\$ 146,086

Compensated absences are expected to be liquidated from the General Fund.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 5: Long-Term Debt (Continued)**

**General Obligation Bonds**

In 2013, the District issued \$6,609,572 of general obligation bonds which were used for an escrow match to a BEST grant received. These bonds, along with the grant proceeds, were used to partially replace District facilities. Principal is due annually on December 1, and interest at a rate of 3.02% is due semi-annually on June 1, and December 1. Payments are made through the Bond Redemption Fund of the District.

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 146,086	\$ 48,158	\$ 194,244
2025	150,478	43,701	194,179
2026	155,001	39,110	194,111
2027	159,660	34,381	194,041
2028	164,459	29,509	193,968
2029-2033	899,489	69,195	968,684
Total	<u>\$ 1,675,173</u>	<u>\$ 264,054</u>	<u>\$ 1,939,227</u>

**Copier Lease**

In June of 2016, the District entered into a lease agreement for the right-to-use two office copiers. The lease requires 60 monthly payments beginning November 2018 of \$346, including interest at 5.45%. In the event of default, the lessor will require the District to pay amounts due under the lease agreement. The lessor will require these payments to be made to the extent permitted by law and legally available funds. At June 30, 2023, the lease was paid in full.

**NOTE 6: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan**

**General Information**

*Plan Description* - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report that includes information on the SDTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided as of December 31, 2022* - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement.

The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413. Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

*Contributions provisions as of June 30, 2023* - The District and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2022, through June 30, 2023. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2023, were \$266,118, equal to the required contributions.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

**General Information (Continued)**

As specified in C.R.S. § 24-51-414, the State of Colorado 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 SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million, upon enactment. July 1, 2023, payment is reduced by \$190 million to \$35 million. The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million, for a total of approximately \$49.5 million to be contributed July 1, 2023. The State is considered a nonemployer contributing entity.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,118,123
State's proportionate share of the net pension liability associated with the District	<u>908,797</u>
Total	<u>\$ 4,026,920</u>

The net pension liability was measured at December 31, 2022, and the total pension liability 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 total pension liability to December 31, 2022.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers and the state as a nonemployer contributing entity. At December 31, 2022, the District's proportion was 0.0171236370%, which was a decrease of 0.0034848719% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$577,815 and a revenue of (\$77,497) representing 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:

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,510	\$ -
Changes of assumptions and other inputs	55,232	-
Net difference between projected and actual earnings on plan investments	418,878	-
Changes in proportion	95,581	358,837
Contributions subsequent to the measurement date	137,277	-
Total	\$ 736,478	\$ 358,837

District contributions subsequent to the measurement date of \$137,277 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>			
2024		\$	(17,752)
2025			(85,639)
2026			100,110
2027			243,644
Total		\$	240,363

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total pension liability using the following 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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/07	ad hoc

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

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) 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 and 2) 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.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

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 of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- District contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District 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, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million direct distribution, a warrant to PERA in the amount of \$380 million. The July 1, 2023, direct distribution is reduced by \$190 million to \$35 million. The July 1, 2024, direct distribution will not be reduced from \$225 million due to PERA's negative investment return in 2022.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve 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 SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension liability. 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 Net Pension Liability to Changes in the Discount Rate* - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 4,080,550	\$ 3,118,123	\$ 2,314,397

*Pension Plan Fiduciary Net Position* - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 8: Postemployment Healthcare Benefits**

**General Information**

*Plan Description* - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

**General Information (Continued)**

*Benefits Provided* - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

*Contributions* - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (See Note 7) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2023, was \$14,474, equal to the required amount.

**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 net OPEB liability of \$106,286, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability 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 total OPEB liability 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 ended December 31, 2022, relative to the contributions of all participating employers.

At December 31, 2022, the District's proportion was 0.0130176080%, which was a decrease of 0.0004381859% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of (\$1,208). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14	\$ 25,704
Changes of assumptions and other inputs	1,708	11,731
Net difference between projected and actual earnings on plan investments	6,494	-
Changes in proportion	23,402	9,089
Contributions subsequent to the measurement date	6,871	-
Total	\$ 38,489	\$ 46,524

District contributions subsequent to the measurement date of \$6,871 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>			
2024		\$	(9,156)
2025			(6,196)
2026			301
2027			3,616
2028			(2,843)
2029			(628)
Total		\$	(14,906)

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.5% in 2022, gradually decreasing to 4.5% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.5% in 2029	

The total OPEB liability 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 (Tri-County 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 fiduciary net position 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 to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2022, valuation, the following monthly costs/premium (actual dollars) are assumed for 2023 for the PERA Benefit Structure:

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

  

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

The 2022 Medicare Part A premium is \$499 (actual dollars) per month. All costs are subject to the health care cost trend rates.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

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

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

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

Based on the above assumptions and methods, the HCTF's fiduciary net position 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 total OPEB liability. 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.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (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 <u>(6.25%)</u>	Current Trend Rates <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 103,278</u>	<u>\$ 106,286</u>	<u>\$ 109,559</u>

*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 <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 123,217</u>	<u>\$ 106,286</u>	<u>\$ 91,805</u>

*OPEB Plan Fiduciary Net Position* - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 9: Commitments and Contingencies**

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. 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. At June 30, 2023, significant amounts of grant expenditures have not been audited but management 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 Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 9: Commitments and Contingencies (Continued)**

**Tabor Amendment (Continued)**

In November 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2023, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$80,000.

**Litigation**

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

**NOTE 10: BEST Grant/Facility Improvements**

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced in 2013. The District provided an upfront match payment held in escrow of \$2,851,230. The State is contributing the BEST grant by issuing \$14,170,935 in Certificate of Participation, Tax-Exempt Series 2012H (COPs). The District will obtain title and ownership to the improvements upon the State's repayment of the COPs. Upon the State's repayment of the COPs, the District will recognize the capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

At June 30, 2023, the improvements completed by the BEST grant and local contribution totaled \$16,693,756, which have a value of \$14,022,756, net of accumulated depreciation. The remaining value of the State's contribution, which has been booked as a long-term grant receivable in the governmental activities, was \$11,673,944 as of June 30, 2023.

As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016, fiscal year. At June 30, 2023, the restricted fund balance was \$12,900.

**NOTE 11: Joint Venture**

The District, in conjunction with other surrounding districts, participates in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed \$57,535 to the BOCES. Separate financial statements for the BOCES are available at 820 2<sup>nd</sup> Street, Limon, Colorado 80828, or online at <https://www.ecboces.org/>.

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 12: Corrections of Errors - Restatement**

The District identified corrections of errors to the fund balance of the General Fund and Debt Service Fund for the fiscal year ended June 30, 2022. Corrections were made to property tax revenue that were reported on the governmental fund financial statements at June 30, 2022. The corrections of errors were reported as follows:

	General Fund	Debt Service Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 2,174,341	\$ 415,714	\$ 2,760,831
Property Tax Revenue	(70,441)	(10,687)	(81,128)
Treasurer's Fees Expenditure	2,261	-	2,261
	<u>          </u>	<u>          </u>	<u>          </u>
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 2,106,161</u>	<u>\$ 405,027</u>	<u>\$ 2,681,964</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Year Ended June 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources	\$ 928,317	\$ 1,044,054	\$ 115,737
County Sources	7	-	(7)
State Grants	1,246,804	1,662,600	415,796
Federal Grants	357,818	284,395	(73,423)
<b>TOTAL REVENUES</b>	<b>2,532,946</b>	<b>2,991,049</b>	<b>458,103</b>
EXPENDITURES			
Current			
Instruction	1,216,366	1,387,221	(170,855)
Supporting Services			
Students	85,492	60,362	25,130
Instructional Staff	16,240	20,684	(4,444)
General Administration	243,834	338,166	(94,332)
School Administration	88,219	2,244	85,975
Business Services	80,655	171,932	(91,277)
Operations and Maintenance	438,365	556,598	(118,233)
Student Transportation	168,206	353,849	(185,643)
Central Support	22,084	22,073	11
Total Supporting Services	1,143,095	1,525,908	(382,813)
Debt Service			
Principal	-	3,821	(3,821)
Interest	-	229	(229)
Total Debt Service	-	4,050	(4,050)
<b>TOTAL EXPENDITURES</b>	<b>2,359,461</b>	<b>2,917,179</b>	<b>(557,718)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>173,485</b>	<b>73,870</b>	<b>(99,615)</b>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(98,600)	(88,510)	10,090
<b>CHANGE IN FUND BALANCE</b>	<b>74,885</b>	<b>(14,640)</b>	<b>(89,525)</b>
FUND BALANCE, Beginning, as Originally Stated	1,998,826	2,174,341	175,515
Correction of an Error (Restatement)	-	(68,180)	(68,180)
FUND BALANCE, Beginning, as Restated	1,998,826	2,106,161	107,335
FUND BALANCE, Ending	\$ 2,073,711	\$ 2,091,521	\$ 17,810

**HI-PLAINS SCHOOL DISTRICT R-23**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND**  
**June 30, 2023**

<b>MEASUREMENT DATE</b>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>				
District's Proportion of the Net Pension Liability	0.0171236370%	0.0206085089%	0.1615273426%	0.0189264264%
District's Proportionate Share of the Net Pension Liability	\$ 3,118,123	\$ 2,398,288	\$ 2,861,294	\$ 2,425,526
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>908,797</u>	<u>-</u>	<u>-</u>	<u>273,018</u>
<b>Total Proportionate Share of the Net Pension Liability</b>	<u><u>4,026,920</u></u>	<u><u>2,398,288</u></u>	<u><u>2,861,294</u></u>	<u><u>2,698,544</u></u>
District's Covered Payroll	\$ 1,320,981	\$ 1,287,968	\$ 1,025,268	\$ 947,936
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	236%	186%	279%	256%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	75%	67%	65%
<b>FISCAL YEAR-END</b>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>
<b>DISTRICT CONTRIBUTIONS</b>				
Statutorily Required Contribution	\$ 268,405	\$ 198,455	\$ 220,676	\$ 193,417
Contributions in Relation to the Statutorily Required Contribution	<u>(268,405)</u>	<u>(198,455)</u>	<u>(220,676)</u>	<u>(193,417)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's Covered Payroll	\$ 1,319,274	\$ 998,263	\$ 1,110,042	\$ 998,022
Contributions as a Percentage of Covered Payroll	20.34%	19.88%	19.88%	19.38%

<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
0.0162353479%	0.0171187537%	0.0215327883%	0.0232088690%	0.0224085385%	0.0218487262%
\$ 3,031,227	\$ 6,962,938	\$ 6,910,178	\$ 3,427,228	\$ 2,961,236	\$ 2,850,778
<u>364,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>3,395,848</u></u>	<u><u>6,962,938</u></u>	<u><u>6,910,178</u></u>	<u><u>3,427,228</u></u>	<u><u>2,961,236</u></u>	<u><u>2,850,778</u></u>
\$ 941,108	\$ 979,662	\$ 1,027,531	\$ 954,104	\$ 890,212	\$ 875,262
322%	711%	673%	359%	333%	326%
57%	44%	43%	59%	63%	64%
<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
\$ 180,034	\$ 185,048	\$ 188,852	\$ 169,238	\$ 150,385	\$ 139,927
<u>(180,034)</u>	<u>(185,048)</u>	<u>(188,852)</u>	<u>(169,238)</u>	<u>(150,385)</u>	<u>(139,927)</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
\$ 941,108	\$ 979,936	\$ 1,027,531	\$ 954,104	\$ 890,212	\$ 845,480
19.13%	18.88%	18.38%	17.74%	16.89%	16.55%

**HI-PLAINS SCHOOL DISTRICT R-23**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND**  
June 30, 2023

<b>MEASUREMENT DATE</b>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
<b>PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>			
District's Proportion of the Net OPEB Liability	0.0130176080%	0.0134557939%	0.0109475099%
District's Proportionate Share of the Net OPEB Liability	\$ 106,286	\$ 116,030	\$ 104,026
District's Covered Payroll	\$ 1,320,981	\$ 1,287,968	\$ 1,025,268
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%	10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%	33%
<b>FISCAL YEAR-END</b>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>
<b>DISTRICT CONTRIBUTIONS</b>			
Statutorily Required Contribution	\$ 13,457	\$ 10,182	\$ 11,322
Contributions in Relation to the Statutorily Required Contribution	<u>(13,457)</u>	<u>(10,182)</u>	<u>(11,322)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,319,274	\$ 998,263	\$ 1,110,042
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
0.0106096724%	0.0111272715%	0.0122348396%	0.1076380693%
\$ 119,253	\$ 151,391	\$ 159,004	\$ 171,041
\$ 947,936	\$ 941,108	\$ 979,662	\$ 1,027,531
13%	16%	16%	17%
24%	17%	18%	17%
<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>
\$ 10,180	\$ 9,599	\$ 9,993	\$ 10,481
<u>(10,180)</u>	<u>(9,599)</u>	<u>(9,993)</u>	<u>(10,481)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 998,022	\$ 941,108	\$ 979,936	\$ 1,027,531
1.02%	1.02%	1.02%	1.02%

**HI-PLAINS SCHOOL DISTRICT R-23**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
June 30, 2023

**NOTE 1: Stewardship, Compliance, and Accountability**

**Budgetary Information**

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School 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. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

**Budget Compliance**

At June 30, 2023, the District's General Fund and Student Activity Fund actual expenditures exceeded budgeted appropriations by \$557,658 and \$21,615, respectively. This may be a violation of state statutes.

**NOTE 2: Schedule of Proportionate Share of the Net OPEB Liability and Contributions**

**Changes in Assumptions and Other Inputs**

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, 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.

## **SUPPLEMENTARY INFORMATION**

**HI-PLAINS SCHOOL DISTRICT R-23**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2023

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and Investments	\$ 10,772	\$ 55,403	\$ 108,443	\$ 174,618
Grants Receivable	5,251	-	-	5,251
Interfund Receivable	103	-	-	103
Inventory	<u>6,134</u>	<u>-</u>	<u>-</u>	<u>6,134</u>
		-		
<b>TOTAL ASSETS</b>	<u>\$ 22,260</u>	<u>\$ 55,403</u>	<u>\$ 108,443</u>	<u>\$ 186,106</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accrued Salaries and Benefits	<u>\$ 13,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,180</u>
<b>FUND BALANCES</b>				
Nonspendable Inventories	6,134	-	-	6,134
Restricted for Food Service	2,946	-	-	2,946
Assigned to:				
Capital Projects	-	-	108,443	108,443
Student Activities	<u>-</u>	<u>55,403</u>	<u>-</u>	<u>55,403</u>
<b>TOTAL FUND BALANCES</b>	<u>9,080</u>	<u>55,403</u>	<u>108,443</u>	<u>172,926</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 22,260</u>	<u>\$ 55,403</u>	<u>\$ 108,443</u>	<u>\$ 186,106</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2023

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>CAPITAL RESERVE</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Local Sources	\$ 585	\$ 125,977	\$ 841	\$ 127,403
State Sources	4,591	-	-	4,591
Federal Sources	<u>81,613</u>	<u>-</u>	<u>-</u>	<u>81,613</u>
<b>TOTAL REVENUES</b>	<u>86,789</u>	<u>125,977</u>	<u>841</u>	<u>213,607</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Supporting Services	-	122,115	-	122,115
Food Services	177,485	-	-	177,485
Capital Outlay	<u>367</u>	<u>-</u>	<u>-</u>	<u>367</u>
<b>TOTAL EXPENDITURES</b>	<u>177,852</u>	<u>122,115</u>	<u>-</u>	<u>299,967</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(91,063)	3,862	841	(86,360)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>88,000</u>	<u>510</u>	<u>-</u>	<u>88,510</u>
<b>CHANGES IN FUND BALANCES</b>	(3,063)	4,372	841	2,150
FUND BALANCES, Beginning	<u>12,143</u>	<u>51,031</u>	<u>107,602</u>	<u>170,776</u>
FUND BALANCES, Ending	<u>\$ 9,080</u>	<u>\$ 55,403</u>	<u>\$ 108,443</u>	<u>\$ 172,926</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOOD SERVICE FUND**  
Year Ended June 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Local Sources	\$ 30,088	\$ 585	\$ (29,503)
State Grants	2,250	4,591	2,341
Federal Grants	40,000	81,613	41,613
<b>TOTAL REVENUES</b>	<b>72,338</b>	<b>86,789</b>	<b>14,451</b>
<b>EXPENDITURES</b>			
Current			
Salaries	68,308	65,864	2,444
Benefits	27,114	28,425	(1,311)
Purchased Services	1,500	540	960
Supplies and Materials	95,200	82,500	12,700
Other	150	156	(6)
Capital Outlay	500	367	133
<b>TOTAL EXPENDITURES</b>	<b>192,772</b>	<b>177,852</b>	<b>14,920</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(120,434)</b>	<b>(91,063)</b>	<b>29,371</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	55,000	88,000	33,000
<b>CHANGE IN FUND BALANCE</b>	<b>(65,434)</b>	<b>(3,063)</b>	<b>62,371</b>
FUND BALANCE, Beginning	16,570	12,143	(4,427)
FUND BALANCE, Ending	\$ (48,864)	\$ 9,080	\$ 57,944

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BUDGETARY COMPARISON SCHEDULE**  
**STUDENT ACTIVITY FUND**  
Year Ended June 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Local Sources			
Student Activity Fees	\$ 168,040	\$ 125,960	\$ (42,080)
Investment Income	15	17	2
<b>TOTAL REVENUES</b>	<u>168,055</u>	<u>125,977</u>	<u>(42,078)</u>
<b>EXPENDITURES</b>			
Current			
Supporting Services	100,500	122,115	(21,615)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>67,555</u>	<u>3,862</u>	<u>(63,693)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	510	510
<b>CHANGE IN FUND BALANCE</b>	67,555	4,372	(20,463)
FUND BALANCE, Beginning	<u>46,538</u>	<u>51,031</u>	<u>4,493</u>
FUND BALANCE, Ending	<u>\$ 114,093</u>	<u>\$ 55,403</u>	<u>\$ (58,690)</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
Year Ended June 30, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Local Sources			
Property Taxes	\$ 212,500	\$ 214,123	\$ 1,623
Investment Income	770	1,270	500
<b>TOTAL REVENUES</b>	<u>213,270</u>	<u>215,393</u>	<u>2,123</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	138,000	141,823	(3,823)
Interest	58,000	52,486	5,514
<b>TOTAL EXPENDITURES</b>	<u>196,000</u>	<u>194,309</u>	<u>1,691</u>
<b>CHANGE IN FUND BALANCE</b>	17,270	21,084	3,814
FUND BALANCE, Beginning, as Originally Stated	375,408	415,714	40,306
Correction of an Error (Restatement)	-	(10,687)	(10,687)
FUND BALANCE, Beginning, as Restated	<u>375,408</u>	<u>405,027</u>	<u>29,619</u>
FUND BALANCE, Ending	<u>\$ 392,678</u>	<u>\$ 426,111</u>	<u>\$ 33,433</u>

**HI-PLAINS SCHOOL DISTRICT R-23**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL RESERVE FUND**  
Year Ended June 30, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Investment Income	\$ 220	\$ 841	\$ 621
CHANGE IN FUND BALANCE	220	841	621
FUND BALANCE, Beginning	<u>92,390</u>	<u>107,602</u>	<u>15,212</u>
FUND BALANCE, Ending	<u>\$ 92,610</u>	<u>\$ 108,443</u>	<u>\$ 15,833</u>