

**KIOWA COUNTY SCHOOL DISTRICT RE-1
EADS, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2023**

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FINANCIAL SECTION

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2023

Introduction

Management’s discussion and analysis (MD&A) of the financial activities of Kiowa County School District RE-1’s (District) finances is to give the reader an overall review as of the year ended June 30, 2023. The purpose of this discussion is to look at the District’s finances as a whole. To do this and in order for the reader to get a comprehensive understanding of the District’s financial performance, you should also review the financial statements, financial statement footnotes, budgetary comparison schedules and the additional supplementary information.

The MD&A is a component of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current and prior year, included in these statements is required to be presented.

Financial Highlights

- Governmental Funds. Net Position was higher in 2023 from \$1,453,824 in 2022 to 2,108,769 mainly as the result of the State Contributions increasing, and state contributing more toward the PERA reporting of GASB Statement 68 & 75.
- General Fund revenue exceeded expenditures by \$555,565, resulting in a \$2,420,651 fund balance available for Fiscal Year 2023-2024. This balance will fund 12 months of operating expenses, which meets the goal of the School Board.
- Capital Projects Fund decreased by \$27,799 because of site improvement projects completed (fencing, sidewalks, roofing projects), leaving \$12,962 for use in Fiscal Year 2023-2024.
- Food Service Fund increased by \$11,640, leaving \$36,432 for use in Fiscal Year 2023-2024. This was due to an increase in the General Fund transfer and high reimbursement rate for meals served.
- Activity Fund decreased by \$9,391 leaving \$108,734 for use in Fiscal Year 2023-2024.

Using the Basic Financial Statements

This discussion and analysis functions as an introduction to the District's basic financial statements and their corresponding notes. We have organized these statements so that the reader may gain an understanding of the District as a complete operating entity. These statements then proceed to impart an increasingly thorough look at specific financial activities.

The Statement of Net Position and the Statement of Activities are government-wide financial statements. These statements provide long and short-term information concerning the district's overall financial status.

The remaining statements are fund financial statements which focus on individual parts of the district's operations in greater detail. The governmental fund statements reflect how general district services were funded in the short term as well as what funds remain for future spending. The financial statements also include notes that explain some of the information contained in the financial statements and provides more detailed data.

Financial Analysis of the District as a Whole

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent, and what is available for future expenditures. Did the District generate enough revenue to pay for current obligations? What is available for spending at the end of the year? The strong financial performance of the District as a whole, is reflected in its governmental funds as well. At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2,578,779.

As of June 30, 2023, the District's total net position was \$2,108,769. The District's governmental net position was higher in 2023 increased from \$1,453,824 to \$2,108,769 or a 31.05% increase; in contrast to last year's net position increase of \$1,535,038 or 97.64%. The District's unrestricted net position, the part of the net position that can be used to finance day-to-day operations without constraints established by legal requirements changed from a (\$762,712) deficit at June 30, 2022 to a (\$776,178) deficit at the end of this year, also an increase of (\$13,466).

The District's total governmental revenues for the year end June 30, 2023 increased by \$730,896; while the total cost of all programs and services increased by \$1,012,384. We saw an overall increase in our net position. This increase is reflective of the implementation of GASB Statement No. 68; which requires the District to report the net pension liability of the District's proportionate share in the PERA pension plan, which is \$3,171,332 along with the newly required implementation of GASB Statement 75; Other Post-Employment Benefits (OPEB) liability of \$108,080 for 2023. These liabilities must be reported on the District's financial statements but they are not current liabilities owed by the District.

Looking at the year end's bottom line, and taking the long-term obligations out, the District was able to show an overall increase in its governmental fund balance, going from \$2,529,915 as of June 30, 2022 to \$2,578,779 at June 30, 2023 which is an increase of \$48,864.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The Statements of Net Position include all of the government's assets and liabilities. The entire 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. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and State mandated educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's various programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation food service and extracurricular activities.

A Condensed Statement of Net Position for the District is as follows:

	<u>2023</u>	<u>2022</u>
Assets:		
Current Assets	\$ 2,837,881	\$ 2,841,990
Capital Assets – Net	2,776,247	2,123,536
Deferred Outflows of Resources	1,346,135	777,025
Capital Assets & Deferred Outflows of Financial Resources	<u>6,960,263</u>	<u>5,742,551</u>
Liabilities:		
Current Liabilities	259,102	312,075
Non-current Liabilities	3,325,957	2,489,953
Deferred Inflows of Resources	1,266,435	1,486,699
Total Liabilities & Deferred Inflows of Financial Resources	<u>4,851,494</u>	<u>4,288,727</u>
Net Position:		
Net Invested in Capital Assets	2,776,247	2,123,536
Restricted	108,700	93,000
Unrestricted Net Position	<u>(776,178)</u>	<u>(762,712)</u>
Total Net Position(Deficit)	<u>2,108,769</u>	<u>1,453,824</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 6,960,263</u>	<u>\$ 5,742,551</u>

The District currently is showing an increase in our Net Position of \$654,945 from \$1,453,824 to \$2,108,769.

The majority of the District's net position are invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and non-restricted amounts. The restricted balances are primarily dollar amounts legally restricted for TABOR emergencies.

A *Condensed Statement of Activities and Changes in Net Position* is reflected below:

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for Services	\$ 246,553	\$ 160,961
Operating Grants	811,157	332,116
Capital Grants and Contributions	<u>564</u>	<u>1,123</u>
Total Program Revenues	<u>1,058,274</u>	<u>494,200</u>
General Revenues:		
Taxes	632,440	583,100
State Equalization	2,252,250	2,105,129
Investment Earnings	16,681	5,109
Gain (Loss) on Capital Asset Disposals	-	1,821
Miscellaneous Revenues	<u>44,354</u>	<u>83,744</u>
Total General Revenues	<u>2,945,725</u>	<u>2,778,903</u>
Total Revenues	<u>4,003,999</u>	<u>3,273,103</u>
Expenses:		
Instruction	1,929,561	991,397
Supporting Services	<u>1,419,493</u>	<u>864,922</u>
Total Expenses	<u>3,349,054</u>	<u>1,856,319</u>
Change in Net Position	654,945	1,416,784
Net Position - Beginning	<u>1,453,824</u>	<u>37,040</u>
Net Position Ending	<u>\$ 2,108,769</u>	<u>\$ 1,453,824</u>

The District managed its governmental operations in an effort to maintain the available carryover, in order to establish a minimum six-month operating window. At this time the District has healthy eleven-month operating window.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. These fund financial reports provide detailed information regarding the District's major funds. The District's major governmental funds are the General Fund and Pupil Activity Funds. Other Non-major governmental funds are the Food Service Fund and Capital Projects Fund.

Governmental Funds. Most of the District's financial activities are reported in the governmental funds. These statements focus on how money flows into and out of those funds and reflects the balances left at year-end that is available for spending in future periods. The District uses the accounting method known as modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash to report these funds. The governmental fund statements offer a detailed short-term examination of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be expended in the near future to finance educational programs. The relationship between government activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements of the Governmental Funds. The General Fund provides the majority of the District's instruction and support operations.

The Food Service fund or Lunch Fund. This fund had revenues of \$127,565 with an additional General Fund transfer of \$30,000, and expenses of \$145,925. We are improving the menus making them healthier to meet federal guidelines and more appealing to the students. Under normal circumstances, there will always be a required transfer from the General Fund in order to operate the Food service Fund, as this fund is a not for profit fund. The board is aware of the difficulties in operating this fund and that it will require continuous monitoring, while providing nutritious meals to the students at a reasonable cost.

Pupil Activity fund The Pupil Activity Fund generally accounts for the student generated revenues and expenditures related to non-classroom activities.

Fund Financial Statements

The fund financial statements focus on individual parts of the District's operations in greater detail. A fund is a grouping of related accounts that are used to keep track of specific sources of funding and spending for specific purposes. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. The financial statements also include notes that explain some of the information contained in the financial statements and provides more detailed data. The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

In addition to the basic financial statements and the accompanying notes, this report also presents certain *Required Supplementary Information* (RSI) other than the MD&A consisting of a budgetary comparison schedule for the General Fund and each major special revenue fund that has a legally adopted annual budget. The schedule includes an accompanying note explaining the differences between actual amounts as reported on the basis of budgeting and the GAAP basis of reporting.

General Fund. Equity in the General Fund increased from 2022 to 2023 by \$74,414 mainly due to increases in the local and state contributions. We have also continued to provide an on-line learning option to our students whose families felt they would benefit more from this learning model. None of our programs or the supplies required to operate these programs have been affected by our funding decisions. We continue to put the education of our students at the forefront of all decisions we make. As a District we are always in the process of comparing expenditures to revenues in an effort to maintain, if not increase, operating carryovers in order to maintain a healthy six-month operating reserve. We continue to budget adequate contingencies greater than required by law to cover unanticipated operational needs. As the financials reflect; the District's budget continues to remain reasonably constant with any increases in revenue being used to offset the cost of salary and benefits for additional staff and/or programs.

Pupil Activity Fund. Equity in the Pupil Activity Fund decreased by a total of \$9,391 from 2022 to 2023. As the District does not control the activity within this fund, due to its custodial nature, equity balances may increase or decrease on an annual basis.

Capital Reserve Projects Fund. Equity in this fund decreased by \$27,799 from 2022 to 2023 due to site improvement projects.

Food Service Fund. Reflected a fund balance increase of \$11,640 from 2022 to 2023. This increase is due to allocations from the General Fund to maintain cash flow until revenues are received.

Capital Assets

As of June 30, 2023, the District had \$2,776,247 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$652,711 from the year ending June 30, 2022. A summary of the District's Governmental Capital Assets is as follows:

TABLE 3 - GOVERNMENTAL ACTIVITY CAPITAL ASSETS

	Balance July 1, 2022	Additions	Deletions & Transfers	Balance June 30, 2023
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 31,301	\$ 8,320	\$ 31,301	\$ 8,320
Capital Assets Being Depreciated				
Buildings	3,546,118	730,442	-	4,276,560
Land Improvements	438,834	69,845	-	508,679
Machinery & Equipment	307,413	22,817	-	330,230
Food Service Equipment	55,690	-	-	55,690
Vehicles	474,405	-	-	474,405
Total Capital Assets Being Depreciated	<u>4,822,460</u>	<u>823,104</u>	<u>-</u>	<u>5,645,564</u>
Total Capital Assets	<u>4,853,761</u>	<u>831,424</u>	<u>31,301</u>	<u>5,653,884</u>
Less Accumulated Depreciation:				
Buildings	(1,862,444)	(87,097)	-	(1,949,541)
Land Improvements	(338,939)	(17,271)	-	(356,210)
Machinery & Equipment	(146,636)	(18,022)	-	(164,658)
Food Service Equipment	(35,278)	(2,771)	-	(38,049)
Vehicles	(346,928)	(22,251)	-	(369,179)
Total Accumulated Depreciation	<u>(2,730,225)</u>	<u>(147,412)</u>	<u>-</u>	<u>(2,877,637)</u>
Net Capital Assets	<u>\$ 2,123,536</u>	<u>\$ 684,012</u>	<u>\$ 31,301</u>	<u>\$ 2,776,247</u>

The District expended \$831,424 to improve capital assets during the fiscal year; these improvements consisted of purchasing a new roof, a new HVAC system for Elementary building, and additional improvements to the school grounds. The District does not maintain separate infrastructure assets as all infrastructure has been included with the related capital assets.

Debt Administration

As of June 30, 2023, the District had a total outstanding long-term debt as follows:

	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023	Current Portion
Accrued Compensated Absences	\$ 9,136	\$ 37,409	\$ -	\$ 46,545	\$ -

The accrued compensated absences represent the amounts to be funded for earned but unused vacation and sick leave. Additional information related to the District's long-term obligations can be found in Note 5 and Note 6 to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes, if needed, are then made in January when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received, usually in the form of grants. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes and the acquisition or renovation of Capital Assets. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization and Specific Ownership Tax.

The Future of the District

The District's plans for the future are to continue building and/or maintaining equity through efficient operations, in order to maintain a fund balance close to \$1,500,000. We believe that this is an adequate amount of fund balance to withstand the current dropping enrollment and to have available in reserve in case of emergency. Although we feel we are in a stable financial position, with the fluctuation in enrollment we do not want to get caught with an inadequate budget to support the instruction of our students; so, we constantly review the budget, expenses and revenues to make sure we remain on track with our objectives. We have already begun the process of prioritizing funding line items to address any unforeseen shortfalls, as well as looking at different scenarios to reduce expenses district wide yet maintain student achievement. It is our hope and intention to maintain as many programs and opportunities as possible with the current budget outlook.

Our future goals are to evaluate all areas of the budget and to prioritize line items that are instrumental to student achievement. Staff salaries are another area that we will be considering. Due to the minimum wage increases, classified salaries have been increased, which results in higher costs. The certified salary schedules will need to be addressed as well to keep an overall equitable rate of pay throughout the district. The capital construction focus will be on increasing school safety throughout our facilities. The district will pursue grants that have matching components but help offset the overall costs. Finally, our bus fleet must be updated. We are looking at purchasing some new route vehicles, and replacement and maintenance of concrete and sidewalks throughout the district. Technology is an area that must be updated regularly, however, we do not anticipate any major purchases for the next fiscal year.

It is our overall goal to remain diligent in making decisions that will keep the district in a good financial position, while maintaining a level of excellence that we have worked so hard to develop.

The following is a comparison of the funded student count and actual number of students for the past eight years.

<u>School Year</u>	<u>Actual Number of Students</u>	<u>Funded Count</u>
2014-2015	175	153
2015-2016	171	150
2016-2017	192	173.5
2017-2018	184	163
2018-2019	208	174.5
2019-2021	203	177.5
2022-2023	215	195.5
2022-2023	211	192.5

The District has been able to take advantage of state funding rules that allowed us to average up to the last five years for our funding.

The Administration and Board of Education realize that the quality of life in a community is directly linked to the quality of its schools. In these past few years, with the uncertainty of funding, we have maintained high student academic achievements, earning the John Irwin School of Excellence Award multiple times and the National Title I Award. Our students state assessment scores were above the state average in all schools.

We will continue to focus on our strengths such as small class sizes, opportunities for advanced coursework using the Concurrent Enrollment programs through Lamar Community College, and a school culture with very minor discipline issues. We are also very fortunate to have low drop-out rates, which we can attribute to local families valuing education.

Requests for Information

This financial report is designed to provide citizens, taxpayers and anyone interested in the government's finances with a general overview of Kiowa County School District RE-1's finances and to show the District's accountability for the money it receives.

If you have any questions about this report, or need additional financial information, contact the District Business Manager Lacy Van Campen.

Phone: 719-438-2218

E-mail: lacy.vancampen@eadseagles.org

Mail: 210 W 10th, Eads, CO 81036

In person at the district office Monday – Thursday between 8am and 4 pm MTD.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Kiowa County School District RE-1
Eads, Colorado

Independent Auditors' Report

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Kiowa County School District RE-1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Kiowa County School District RE-1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility 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 risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Kiowa County School District RE-1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Kiowa County School District RE-1's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Kiowa County School District RE-1's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

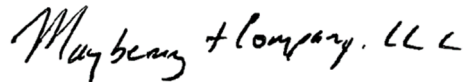
Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents be presented to supplement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

Supplementary Information

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

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, Colorado
January 18, 2024

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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2023.

KIOWA COUNTY SCHOOL DISTRICT RE-1

**Statement of Net Position
June 30, 2023**

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 2,639,335
Cash with Fiscal Agent	12,583
Taxes Receivable	42,737
Grants Receivable	116,705
Other Accounts Receivable	3,160
Inventory	1,176
Prepaid Expenses	22,185
Capital and Other Assets	
Capital Assets not Being Depreciated	8,320
Capital Assets Being Depreciated	5,645,564
Accumulated Depreciation	<u>(2,877,637)</u>
Total Assets	<u>5,614,128</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	1,323,736
Net OPEB Deferred Outflows	<u>22,399</u>
Total Deferred Outflows of Financial Resources	<u>1,346,135</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 6,960,263</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 14,987
Accrued Salaries & Benefits	159,622
Unearned Revenue Grants	84,493
Noncurrent Liabilities	
Due In More Than One Year	<u>3,325,957</u>
Total Liabilities	<u>3,585,059</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	1,215,774
Net OPEB Deferred Inflows	<u>50,661</u>
Total Deferred Inflows of Financial Resources	<u>1,266,435</u>
Net Position	
Net Investment in Capital Assets	2,776,247
Restricted Net Position	108,700
Unrestricted Net Position	<u>(776,178)</u>
Total Net Position	<u>2,108,769</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 6,960,263</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

**Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental Activities				
Instruction	\$ 1,929,561	\$ 158,708	\$ 252,792	\$ -
Supporting Services	<u>1,419,493</u>	<u>87,845</u>	<u>558,365</u>	<u>564</u>
Total Primary Government	<u>\$ 3,349,054</u>	<u>\$ 246,553</u>	<u>\$ 811,157</u>	<u>\$ 564</u>
General Revenues				
Property Taxes				535,851
Specific Ownership Taxes				96,589
State Equalization				2,252,250
Investment Earnings				16,681
Other Revenues				<u>44,354</u>
Total General Revenues				<u>2,945,725</u>
Change in Net Position				654,945
Beginning Net Position				<u>1,453,824</u>
Ending Net Position				<u>\$ 2,108,769</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-1
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
ASSETS			
Cash and Investments	\$ 2,513,542	\$ 4,097	\$ 108,734
Cash with Fiscal Agent	12,583	-	-
Taxes Receivable	42,737	-	-
Interfund Accounts Receivable	-	17,555	-
Grants Receivable	105,008	11,697	-
Other Accounts Receivable	1,217	1,943	-
Inventory	-	1,176	-
Prepaid Expenses	22,185	-	-
TOTAL ASSETS	<u>\$ 2,697,272</u>	<u>\$ 36,468</u>	<u>\$ 108,734</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Interfund Accounts Payable	\$ 17,555	\$ -	\$ -
Accounts Payable	14,951	36	-
Accrued Salaries & Benefits	159,622	-	-
Unearned Revenue Grants	84,493	-	-
Total Liabilities	<u>276,621</u>	<u>36</u>	<u>-</u>
Fund Balance			
Nonspendable Fund Balance	18,392	1,176	-
Restricted Fund Balance			
Restricted for TABOR Emergencies	106,000	-	-
Restricted for Colorado Preschool Program	2,700	-	-
Committed Fund Balance	-	35,256	108,734
Unassigned Fund Balance	2,293,559	-	-
Total Fund Balance	<u>2,420,651</u>	<u>36,432</u>	<u>108,734</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 2,697,272</u>	<u>\$ 36,468</u>	<u>\$ 108,734</u>

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

<u>Capital Projects</u>		<u>Totals</u>	
<u>Capital Reserve</u>			
<u>Project Fund</u>	<u>2023</u>	<u>2022</u>	
\$ 12,962	\$ 2,639,335	\$ 2,599,961	
-	12,583	8,184	
-	42,737	69,000	
-	17,555	10,928	
-	116,705	97,487	
-	3,160	28,925	
-	1,176	1,702	
-	22,185	36,731	
<u>\$ 12,962</u>	<u>\$ 2,855,436</u>	<u>\$ 2,852,918</u>	
\$ -	\$ 17,555	\$ 10,928	
-	14,987	69	
-	159,622	146,710	
-	84,493	165,296	
<u>-</u>	<u>276,657</u>	<u>323,003</u>	
-	19,568	38,433	
-	106,000	93,000	
-	2,700	-	
12,962	156,952	181,976	
-	2,293,559	2,216,506	
<u>12,962</u>	<u>2,578,779</u>	<u>2,529,915</u>	
<u>\$ 12,962</u>	<u>\$ 2,855,436</u>	<u>\$ 2,852,918</u>	

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KIOWA COUNTY SCHOOL DISTRICT RE-1

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2023**

Fund Balance - Governmental Funds		\$	2,578,779
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	8,320	
Capital assets, being depreciated		5,645,564	
Accumulated depreciation		<u>(2,877,637)</u>	2,776,247
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		1,323,736	
Net pension liability		(3,171,332)	
Net pension deferred inflows		<u>(1,215,774)</u>	(3,063,370)
OPEB Liability			
Net OPEB deferred outflows		22,399	
Net OPEB liability		(108,080)	
Net OPEB deferred inflows		<u>(50,661)</u>	(136,342)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Accrued compensated absences			<u>(46,545)</u>
Total Net Position - Governmental Activities		\$	<u>2,108,769</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

Special Revenue

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
REVENUES			
Local Sources	\$ 740,891	\$ 45,082	\$ 153,985
Intermediate Sources	1,164	-	-
State Sources	2,562,778	2,759	-
Federal Sources	417,446	79,724	-
TOTAL REVENUES	<u>3,722,279</u>	<u>127,565</u>	<u>153,985</u>
EXPENDITURES			
Current:			
Instruction	1,640,980	-	189,527
Pupil Support	109,003	-	-
Staff Support	97,857	-	-
General Administration	168,955	-	-
School Administration	163,255	-	-
Business Services	70,090	-	-
Operations and Maintenance	675,704	-	-
Transportation	158,269	-	-
Other Central Support	7,049	-	-
Risk Management	75,552	-	-
Other Supporting Services	-	-	-
Food Service	-	145,925	-
Facilities	-	-	-
TOTAL EXPENDITURES	<u>3,166,714</u>	<u>145,925</u>	<u>189,527</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	555,565	(18,360)	(35,542)
OTHER FINANCING SOURCES (USES)			
Transfers in (Out)	(481,151)	30,000	26,151
CHANGE IN FUND BALANCE	74,414	11,640	(9,391)
BEGINNING FUND BALANCE	<u>2,346,237</u>	<u>24,792</u>	<u>118,125</u>
ENDING FUND BALANCE	<u>\$ 2,420,651</u>	<u>\$ 36,432</u>	<u>\$ 108,734</u>

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

Capital Projects		Totals
-------------------------	--	---------------

Capital Reserve		
Project Fund	2023	2022
\$ 170	\$ 940,128	\$ 864,059
-	1,164	1,527
-	2,565,537	2,171,107
-	497,170	236,410
170	4,003,999	3,273,103
-	1,830,507	1,591,901
-	109,003	107,508
-	97,857	54,384
27	168,982	148,455
-	163,255	152,757
8,600	78,690	93,432
-	675,704	317,796
-	158,269	243,151
-	7,049	6,008
-	75,552	58,461
-	-	1,332
-	145,925	148,848
444,342	444,342	18,718
452,969	3,955,135	2,942,751
(452,799)	48,864	330,352
425,000	-	-
(27,799)	48,864	330,352
40,761	2,529,915	2,199,563
\$ 12,962	\$ 2,578,779	\$ 2,529,915

KIOWA COUNTY SCHOOL DISTRICT RE-1

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2023**

Change in Fund Balance - Governmental Funds		\$ 48,864
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	\$ 800,123	
Depreciation Expense	<u>(147,412)</u>	652,711
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Pension Liability		
Current year change and amortization of deferred outflows - net	558,189	
Change in net pension liability	(787,570)	
Current year change and amortization of deferred inflows - net	<u>221,216</u>	(8,165)
OPEB Liability		
Current year change and amortization of deferred outflows - net	10,921	
Change in OPEB liability	7,247	
Current year change and amortization of deferred inflows - net	<u>(952)</u>	17,216
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.		
Change in accrued compensated absences		<u>(55,681)</u>
Total Net Position - Governmental Activities		<u>\$ 654,945</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, and as subsequently amended.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Special Revenue Funds (Food Service Fund) - These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes. The Food Service Fund accounts for the District's food service program.

Pupil Activity Fund - This fund specifically accounts for the District's student club and organization activity.

Capital Projects Funds (Capital Reserve Capital Projects Fund) - These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

Cash and Investments - Cash is kept in interest bearing accounts which are comprised of checking accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Investments are recorded at fair value.

Cash and Cash Equivalents - The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)

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

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

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10-40 years
Vehicles	5-15 years
Other Equipment	15 years

Unearned Revenue - Unearned revenues represent revenues received which are not recognized until qualifying expenditures are incurred.

Vacation, Sick Leave, and Other Compensated Absences - District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. Vacation can be carried over upon the superintendent's approval.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category, both related to outstanding pension and OPEB obligations and further described in Notes 7 and 9.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for property taxes as described above, prepaid student balances and pension and OPEB related deferrals as further described in Notes 7 and 9.

Net Position/Fund Balance - In the government-wide financial statements net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

For the classification of fund and net position balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Uncollected property taxes levied in 2023 for collection in 2023 are identified as property taxes receivable at June 30.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on the cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools 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. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- The District has until January 31st of each year to revise the budget.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund balance at fiscal year-end because they have lapsed and are pending reinstatement.

Jointly Governed Organization

BOCES

The District in conjunction with other surrounding districts created the Southeastern Colorado 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 fiscal year ended June 30, 2023, the District paid total BOCES assessments of \$42,829. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 703 South Third, Lamar, CO 81052.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2: CASH AND INVESTMENTS

The following is a reconciliation of cash on the statement of net position to the summary of cash and investments shown below:

Deposits	\$	2,639,085
Cash on hand		<u>250</u>
Total	\$	<u>2,639,335</u>
 Government-wide - unrestricted	 \$	 <u>2,639,335</u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2023, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2023, the District's deposits had bank and carrying values as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 250,000	\$ 250,000
PDPA collateralized (Not in District's name)	<u>2,413,567</u>	<u>2,389,085</u>
Total	<u>\$ 2,663,567</u>	<u>\$ 2,639,085</u>

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2023 consisted of purchased food and supplies and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt. Inventory at June 30, 2023, was valued at \$1,176.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4: CAPITAL ASSETS

Activity for capital assets which are capitalized by the District is summarized below:

	Balance July 1, 2022	Additions	Deletions & Transfers	Balance June 30, 2023
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 31,301	\$ 8,320	\$ 31,301	\$ 8,320
Capital Assets Being Depreciated				
Buildings	3,546,118	730,442	-	4,276,560
Land Improvements	438,834	69,845	-	508,679
Machinery & Equipment	307,413	22,817	-	330,230
Food Service Equipment	55,690	-	-	55,690
Vehicles	474,405	-	-	474,405
Total Capital Assets Being Depreciated	<u>4,822,460</u>	<u>823,104</u>	<u>-</u>	<u>5,645,564</u>
Total Capital Assets	<u>4,853,761</u>	<u>831,424</u>	<u>31,301</u>	<u>5,653,884</u>
Less Accumulated Depreciation:				
Buildings	(1,862,444)	(87,097)	-	(1,949,541)
Land Improvements	(338,939)	(17,271)	-	(356,210)
Machinery & Equipment	(146,636)	(18,022)	-	(164,658)
Food Service Equipment	(35,278)	(2,771)	-	(38,049)
Vehicles	(346,928)	(22,251)	-	(369,179)
Total Accumulated Depreciation	<u>(2,730,225)</u>	<u>(147,412)</u>	<u>-</u>	<u>(2,877,637)</u>
Net Capital Assets	<u>\$ 2,123,536</u>	<u>\$ 684,012</u>	<u>\$ 31,301</u>	<u>\$ 2,776,247</u>

Depreciation expense for governmental activities was allocated to activities as follows:

Instruction	\$ 68,225
Supporting Services	79,187
Total Depreciation	<u>\$ 147,412</u>

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2023, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5: 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, as of June 30, 2023, were \$159,622.

NOTE 6: LONG-TERM OBLIGATIONS

Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Food Service Funds.

Changes in long-term obligations for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023	Current Portion
Accrued Compensated Absences	\$ 9,136	\$ 37,409	\$ -	\$ 46,545	\$ -

Beginning with the June 30, 2001 fiscal year, the District began offering an early retirement incentive to its teachers and other long-term employees. All teachers and other employees that have been employed by the District for at least 20 years are eligible to receive either \$35,000 upon retirement in the case of teachers or ½ the annual salary of other employees, paid equally in annual installments over the three fiscal years subsequent to retirement. During the year, no teacher opted into this program and there are no current participants.

In addition, the District has recorded an obligation for accrued compensated absences related to leave carryovers at June 30, 2023.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. As of June 30, 2023, 67 employees were members of the PERA Plan.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

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

General Information about the Pension Plan

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$270,433 for the year ended June 30, 2023.

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

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

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

At June 30, 2023 the District reported a liability of \$3,171,332 for its proportionate share of the net pension liability that reflected a reduction in its overall proportionate share of the liability due to support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (3,171,332)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (715,619)
Total	\$ (3,886,951)

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO 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)

At December 31, 2022, the District’s proportion was 0.01742%, which was a decrease of 0.00307% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$290,345 and revenue of \$715,619 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 36,943	\$ -
Changes of assumptions or other inputs	\$ 74,585	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 991,203	\$ (695,296)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 76,982	\$ (520,478)
Contributions subsequent to the measurement date	\$ 144,023	\$ -
Total	\$ 1,323,736	\$ (1,215,774)

\$144,023 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2023	\$ (200,691)
2024	(151,608)
2025	68,437
2026	247,801
Total	\$ (36,061)

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO 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)

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

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

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

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

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
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO 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)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO 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 AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (4,150,182)	\$ (3,171,332)	\$ (2,353,891)

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2023 program members contributed \$7,358.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$13,701 for the year ended June 30, 2023.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

At June 30, 2023, the District reported a liability of \$108,080 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.01324%, which was a decrease of 0.00014% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$2,162. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 8	\$ (26,590)
Changes of assumptions or other inputs	\$ 1,778	\$ (11,978)
Net difference between projected and actual earnings on pension plan investments	\$ 11,854	\$ (5,329)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 620	\$ (6,764)
Contributions subsequent to the measurement date	\$ 8,139	\$ -
Total	\$ 22,399	\$ (50,661)

\$8,139 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2024	\$ (12,995)
2025	(12,836)
2026	(5,805)
2027	(1,014)
2028	(3,053)
2029	(698)
Total	\$ (36,401)

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT 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 increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% for 2022, gradually increasing to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 6,514	\$ 5,542
70	1,976	1,561	7,553	5,966
75	2,128	1,681	8,134	6,425

Sample Age	MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 583	\$ 496	\$ 4,227	\$ 3,596
70	676	534	4,901	3,872
75	728	575	5,278	4,169

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,923	\$ 1,634	\$ 6,752	\$ 5,739
70	2,229	1,761	7,826	6,185
75	2,401	1,896	8,433	6,657

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT 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 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 TOL are summarized in the table below:

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Sensitivity of the 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:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (105,021)	\$ (108,080)	\$ (111,408)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

Discount Rate	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (125,296)	\$ (108,080)	\$ (93,354)

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10: INTERFUND BALANCES

The District made the following routine transfers for the year ended June 30, 2023:

	<u>Transfers In (Out)</u>
<u>General Fund</u>	
Transfer to Food Service	\$ (30,000)
Transfer to Pupil Activity	(425,000)
Transfer to Capital Reserve	<u>(26,151)</u>
Net General Fund	(481,151)
<u>Food Service Fund</u>	
Transfer from General Fund	30,000
<u>Pupil Activity Fund</u>	
Transfer from General Fund	26,151
<u>Capital Reserve Fund</u>	
Transfer from General Fund	<u>425,000</u>
Net Transfers	<u>\$ -</u>

The District has recorded the following routine operating transfers through June 30, 2023:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ (17,555)
Food Service Fund	<u>17,555</u>	<u>-</u>
Net Interfund Transfers	<u>\$ 17,555</u>	<u>\$ (17,555)</u>

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate vote to retain the revenue.

In November of 1996, the voters of the District approved a ballot measure which allows the District to retain, appropriate, and utilize the full revenues received from every source whatever, without limitation, in 1996 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has reserved the General Fund's fund balance in the amount of \$106,000 pursuant to the Amendment's 3% Emergency Reserve requirement.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 12: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually.

These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2023.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

NOTE 12: RISK MANAGEMENT

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

NOTE 13: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$776,178, primarily due to the PERA net pension liability of \$3,171,332 and related net deferrals, as further described in Note 7 and the HCTF net OPEB liability of \$108,080 as discussed further in Note 9. As the District has no control over pension and OPEB benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 14: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Pupil Activity Fund by \$(2,656). This may be a violation of State statutes.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules - Unaudited)

KIOWA COUNTY SCHOOL DISTRICT RE-1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years**

Fiscal Year	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	Non-employer contributing entity's total proportionate share of the net pension asset (liability)	Total proportionate share associated with District	District's covered payroll	proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.027079%	\$ (3,453,863)	\$ -	\$ (3,453,863)	\$ 1,091,623	316.40%	64.07%
June 30, 2015	0.026493%	\$ (3,590,677)	\$ -	\$ (3,590,677)	\$ 1,109,862	323.52%	62.84%
June 30, 2016	0.025902%	\$ (3,961,454)	\$ -	\$ (3,961,454)	\$ 1,128,782	350.95%	59.16%
June 30, 2017	0.024888%	\$ (7,410,042)	\$ -	\$ (7,410,042)	\$ 1,104,819	670.70%	43.13%
June 30, 2018	0.024914%	\$ (8,056,430)	\$ -	\$ (8,056,430)	\$ 1,149,272	701.00%	43.96%
June 30, 2019	0.022183%	\$ (3,927,933)	\$ (472,485)	\$ (4,400,418)	\$ 1,219,512	322.09%	57.01%
June 30, 2020	0.020956%	\$ (3,130,803)	\$ (352,405)	\$ (3,483,208)	\$ 1,223,571	255.87%	64.52%
June 30, 2021	0.023124%	\$ (3,495,818)	\$ -	\$ (3,495,818)	\$ 1,252,632	279.08%	66.99%
June 30, 2022	0.020484%	\$ (2,383,762)	\$ (245,163)	\$ (2,628,925)	\$ 1,280,166	186.21%	74.86%
June 30, 2023	0.017416%	\$ (3,171,332)	\$ (715,619)	\$ (3,886,951)	\$ 1,396,865	227.03%	61.79%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 169,529	\$ (169,529)	\$ -	\$ 1,091,623	15.53%
June 30, 2015	\$ 182,350	\$ (182,350)	\$ -	\$ 1,109,862	16.43%
June 30, 2016	\$ 195,618	\$ (195,618)	\$ -	\$ 1,128,782	17.33%
June 30, 2017	\$ 200,304	\$ (200,304)	\$ -	\$ 1,104,819	18.13%
June 30, 2018	\$ 214,109	\$ (214,109)	\$ -	\$ 1,149,272	18.63%
June 30, 2019	\$ 233,293	\$ (233,293)	\$ -	\$ 1,219,512	19.13%
June 30, 2020	\$ 237,128	\$ (237,128)	\$ -	\$ 1,223,571	19.38%
June 30, 2021	\$ 242,760	\$ (242,760)	\$ -	\$ 1,252,632	19.38%
June 30, 2022	\$ 254,497	\$ (254,497)	\$ -	\$ 1,280,166	19.88%
June 30, 2023	\$ 270,433	\$ (270,433)	\$ -	\$ 1,396,865	19.36%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.014146%	\$ (183,975)	\$ 1,104,819	16.65%	16.70%
June 30, 2018	0.014156%	\$ (183,414)	\$ 1,149,272	15.96%	17.53%
June 30, 2019	0.014419%	\$ (196,176)	\$ 1,219,512	16.09%	17.03%
June 30, 2020	0.013697%	\$ (153,950)	\$ 1,223,571	12.58%	24.49%
June 30, 2021	0.013378%	\$ (127,121)	\$ 1,252,632	10.15%	32.78%
June 30, 2022	0.013374%	\$ (115,327)	\$ 1,280,166	9.01%	39.40%
June 30, 2023	0.013237%	\$ (108,080)	\$ 1,396,865	7.74%	38.57%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 11,269	\$ (11,269)	\$ -	\$ 1,104,819	1.02%
June 30, 2018	\$ 11,723	\$ (11,723)	\$ -	\$ 1,149,272	1.02%
June 30, 2019	\$ 12,439	\$ (12,439)	\$ -	\$ 1,219,512	1.02%
June 30, 2020	\$ 12,480	\$ (12,480)	\$ -	\$ 1,223,571	1.02%
June 30, 2021	\$ 12,777	\$ (12,777)	\$ -	\$ 1,252,632	1.02%
June 30, 2022	\$ 13,058	\$ (13,058)	\$ -	\$ 1,280,166	1.02%
June 30, 2023	\$ 14,248	\$ (14,248)	\$ -	\$ 1,396,865	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION
(Budgetary Comparison Schedules)

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023		Variance with Final Budget	2022 Actual
	Original & Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ 528,731	\$ 529,985	\$ 1,254	\$ 494,599
Specific Ownership Taxes	82,602	96,589	13,987	85,835
Delinquent Taxes	3,050	3,360	310	2,666
Other Taxes	-	2,505	2,505	-
Tuition From Individuals	5,000	2,700	(2,300)	5,150
Tuition Within the BOCES	6,000	42,763	36,763	9,225
Investment Earnings	5,400	16,334	10,934	4,906
Donations	-	100	100	29,324
Sale of Fixed Asser/ Insurance Proceeds	-	-	-	1,821
Instructional Materials Fees	2,600	2,200	(400)	2,200
Insurance Proceeds	-	-	-	22,497
Other Local	62,600	44,355	(18,245)	61,246
Total Local Sources	695,983	740,891	44,908	719,469
Intermediate Sources				
Mineral Leases	405	600	195	404
Impact Fee Revenue	360	564	204	1,123
Total Intermediate Sources	765	1,164	399	1,527
State Sources				
State Share (Equalization)	2,275,738	2,252,250	(23,488)	2,105,129
State Transportation	25,000	29,816	4,816	22,160
State Grants from CDE				
State Grants to Libraries	4,500	-	(4,500)	4,500
Small Rural Schools Additional Funding	76,063	90,161	14,098	-
Additional As- Risk Funding	1,100	1,198	98	1,212
READ Act	1,000	1,047	47	993
One-Time Mitigation At-Risk Funding	-	-	-	11,311
State Grants from Other Agencies				
State Vocational Education	8,000	59,380	51,380	5,721
State PERA Contribution	-	78,807	78,807	-
State Grants Provided through BOCES	18,410	50,119	31,709	18,631
Total State Sources	2,409,811	2,562,778	152,967	2,169,657
Federal Sources				
Federal Grants from CDE				
NCLB Title I, Part A- Imp Basic Pgrms Oper by Sch	44,703	34,928	(9,775)	35,282
NCLB Title II, Part A- Teacher & Principal Trng	6,016	-	(6,016)	6,254
ESSER III 90%	-	229,174	229,174	20,154
ESSER II - Distribution 90%	-	110,939	110,939	-
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	-	(10,000)	20,000
Ed Stab Fd - Elem Sec Emer Relief Formula	3,000	-	(3,000)	150
ESSER III 9.5%,Curriula Materials	-	12,376	12,376	-
SNAP: P-EBT mini Grants	-	1,281	1,281	-
Ed Stab Fd - Elem Sec Emer Relief Discretionary	-	2,035	2,035	-
Direct Federal Revenue				
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	20,000	20,980	980	31,267
Federal Provided through BOCES	-	5,733	5,733	4,815
Total Federal Sources	83,719	417,446	333,727	117,922
TOTAL REVENUES	3,190,278	3,722,279	532,001	3,008,575

See the accompanying Independent Auditors' Report

(Continued)

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

(Continued)

EXPENDITURES

Instruction

	2023		Variance	2022
	Original & Final Budget	Actual	with Final Budget	Actual
Salaries	957,136	1,001,999	(44,863)	928,639
Benefits	388,853	440,387	(51,534)	352,427
PS-Professional	16,060	70	15,990	2,060
PS-Property	3,690	3,328	362	5
PS-Other	34,007	15,518	18,489	27,914
Supplies	57,610	110,238	(52,628)	50,454
Property	17,980	63,837	(45,857)	66,930
Other Expenses	9,908	5,603	4,305	6,612
Total Instruction	<u>1,485,244</u>	<u>1,640,980</u>	<u>(155,736)</u>	<u>1,435,041</u>

Supporting Services

Pupil Support

Salaries	37,493	38,523	(1,030)	37,785
Benefits	16,472	14,798	1,674	14,742
PS- Professional	15,500	10,909	4,591	13,584
PS-Other	35,905	42,829	(6,924)	37,126
Supplies	1,550	1,066	484	68
Property	270	185	85	4,203
Other Expenses	-	693	(693)	-
Total Pupil Support	<u>107,190</u>	<u>109,003</u>	<u>(1,813)</u>	<u>107,508</u>

Staff Support

Salaries	34,227	58,611	(24,384)	32,294
Benefits	20,406	19,722	684	11,260
PS-Other	4,000	3,529	471	3,216
Supplies	6,000	5,883	117	7,443
Property	500	9,627	(9,127)	-
Other Expenses	5,000	485	4,515	171
Total Staff Support	<u>70,133</u>	<u>97,857</u>	<u>(27,724)</u>	<u>54,384</u>

General Administration

Salaries	70,650	72,885	(2,235)	76,780
Benefits	24,501	32,546	(8,045)	18,667
PS- Professional	12,975	12,756	219	9,719
PS- Property	-	-	-	100
PS-Other	11,994	5,469	6,525	5,781
Supplies	2,500	672	1,828	1,919
Property	6,450	8,209	(1,759)	7,666
Other Expenses	27,250	36,418	(9,168)	27,790
Total General Administration	<u>156,320</u>	<u>168,955</u>	<u>(12,635)</u>	<u>148,422</u>

School Administration

Salaries	74,826	72,675	2,151	76,015
Benefits	42,692	40,586	2,106	32,993
PS- Professional	200	-	200	-
PS-Other	1,900	2,033	(133)	1,309
Supplies	4,400	3,643	757	5,155
Property	555	-	555	-
Other Expenses	20,750	44,318	(23,568)	37,285
Total School Administration	<u>145,323</u>	<u>163,255</u>	<u>(17,932)</u>	<u>152,757</u>

See the accompanying Independent Auditors' Report

(Continued)

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023		Variance with Final Budget	2022
	Original & Final Budget	Actual		Actual
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	32,399	40,044	(7,645)	55,123
Benefits	11,160	11,807	(647)	14,736
PS- Professional	12,000	9,528	2,472	16,407
PS-Other	300	-	300	-
Supplies	4,000	2,137	1,863	1,584
Property	1,350	6,504	(5,154)	5,502
Other Expenses	90	70	20	80
Total Business Services	<u>61,299</u>	<u>70,090</u>	<u>(8,791)</u>	<u>93,432</u>
Operations and Maintenance				
Salaries	81,408	107,048	(25,640)	94,912
Benefits	37,875	46,865	(8,990)	39,395
PS- Professional	14,400	19,748	(5,348)	13,757
PS- Property	30,180	20,950	9,230	23,402
PS-Other	8,500	7,450	1,050	6,884
Supplies	110,312	120,844	(10,532)	112,792
Property	4,000	351,785	(347,785)	26,569
Other Expenses	270	1,014	(744)	85
Total Operations and Maintenance	<u>286,945</u>	<u>675,704</u>	<u>(388,759)</u>	<u>317,796</u>
Transportation				
Salaries	53,175	66,207	(13,032)	62,681
Benefits	16,177	18,633	(2,456)	17,906
PS- Professional	12,500	15,285	(2,785)	3,598
PS- Property	10,000	4,116	5,884	11,125
PS-Other	1,600	60	1,540	47
Supplies	36,800	42,527	(5,727)	31,926
Property	825	8,213	(7,388)	-
Other Expenses	2,450	3,228	(778)	2,749
Total Transportation	<u>133,527</u>	<u>158,269</u>	<u>(24,742)</u>	<u>130,032</u>
Other Central Support				
Salaries	2,000	3,000	(1,000)	3,000
Benefits	907	1,162	(255)	1,191
PS- Professional	-	889	(889)	73
Supplies	1,200	1,998	(798)	1,744
Total Other Central Support	<u>4,107</u>	<u>7,049</u>	<u>(2,942)</u>	<u>6,008</u>
Risk Management				
PS-Other	72,370	75,552	(3,182)	58,461
Other Supporting Services				
Property	6,500	-	6,500	1,332
Total Supporting Services	<u>1,043,714</u>	<u>1,525,734</u>	<u>(482,020)</u>	<u>1,070,132</u>
Contingency	<u>2,523,375</u>	<u>-</u>	<u>2,523,375</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,052,333</u>	<u>3,166,714</u>	<u>1,885,619</u>	<u>2,505,173</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,862,055)	555,565	2,417,620	503,402
OTHER FINANCING SOURCES (USES)				
Transfers	(514,775)	(481,151)	33,624	(129,695)
CHANGE IN FUND BALANCE	(2,376,830)	74,414	2,451,244	373,707
BEGINNING FUND BALANCE	2,376,830	2,346,237	(30,593)	1,972,530
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 2,420,651</u>	<u>\$ 2,420,651</u>	<u>\$ 2,346,237</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

The District has two special revenue funds as follows:

Food Service Fund

This fund accounts for all financial activities associated with the District school lunch program.

Pupil Activity

This fund specifically accounts for the District's student club and organization activity.

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023		Variance with Final Budget	2022 Actual
	Original & Final Budget	Actual		
REVENUES				
Local Sources				
Food Service Revenue	\$ 41,150	\$ 45,082	\$ 3,932	\$ 10,433
Other Local	26,000	-	(26,000)	-
Total Local Sources	67,150	45,082	(22,068)	10,433
State Sources				
State Grants from CDE				
State Matching Child Nutrition	800	698	(102)	797
Start Smart Nutrition	300	224	(76)	-
School Lunch Protection	570	1,266	696	-
Other Agency State Grants	-	571	571	653
Total State Sources	1,670	2,759	1,089	1,450
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	8,500	9,571	1,071	-
National School Lunch Program	29,000	51,390	22,390	-
Special Milk Program for Children	250	789	539	497
SNAP: P-EBT mini Grants	-	-	-	614
Seamless Summer Option (SSO)-Breakfast SRE 94 Opt	-	-	-	16,184
Seamless Summer Option (SSO)-Lunch	-	-	-	86,261
Supply Chain Assistance (SCA)	-	14,844	14,844	8,249
Federal Grants from Other State Agencies				
National School Lunch Program- Commodities	7,100	3,130	(3,970)	6,684
Total Federal Sources	44,850	79,724	34,874	118,489
TOTAL REVENUES	113,670	127,565	13,895	130,372
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	62,367	54,524	7,843	59,063
Benefits	29,137	20,020	9,117	23,170
PS- Professional	-	-	-	108
PS-Other	325	303	22	200
Supplies	6,350	6,906	(556)	10,082
Food	48,266	59,641	(11,375)	49,541
Commodities	7,000	3,130	3,870	6,684
Property	-	1,401	(1,401)	-
TOTAL EXPENDITURES	153,445	145,925	7,520	148,848
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(39,775)	(18,360)	21,415	(18,476)
OTHER FINANCING SOURCES (USES)				
Transfers	39,775	30,000	(9,775)	25,000
CHANGE IN FUND BALANCE	-	11,640	11,640	6,524
BEGINNING FUND BALANCE	-	24,792	24,792	18,268
ENDING FUND BALANCE	\$ -	\$ 36,432	\$ 36,432	\$ 24,792

See accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 250	\$ 177	\$ (73)	\$ 108
Pupil Activity Revenues	<u>100,250</u>	<u>153,808</u>	<u>53,558</u>	<u>133,953</u>
TOTAL REVENUES	<u>100,500</u>	<u>153,985</u>	<u>53,485</u>	<u>134,061</u>
EXPENDITURES				
Instruction				
PS-Professional	27,000	13,945	13,055	10,053
Supplies	<u>159,871</u>	<u>175,582</u>	<u>(15,711)</u>	<u>138,522</u>
TOTAL EXPENDITURES	<u>186,871</u>	<u>189,527</u>	<u>(2,656)</u>	<u>148,575</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(86,371)	(35,542)	50,829	(14,514)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>25,000</u>	<u>26,151</u>	<u>1,151</u>	<u>29,695</u>
CHANGE IN FUND BALANCE	(61,371)	(9,391)	51,980	15,181
BEGINNING FUND BALANCE	<u>61,371</u>	<u>118,125</u>	<u>56,754</u>	<u>102,944</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 108,734</u>	<u>\$ 108,734</u>	<u>\$ 118,125</u>

See accompanying Independent Auditors' Report.

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CAPITAL PROJECTS FUND

Capital Projects Funds (Capital Reserve Fund) – These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

KIOWA COUNTY SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 100	\$ 170	\$ 70	\$ 95
EXPENDITURES				
Instruction				
Property	5,000	-	5,000	8,285
Supporting Services				
General Administration				
PS- Professional	-	27	(27)	32
Business Services				
Other Expenses	-	8,600	(8,600)	-
Operations and Maintenance				
Property	1,000	-	1,000	-
Transportation				
Property	100,000	-	100,000	113,120
Facilities/Capital Outlay				
Land and Improvements	24,681	81,359	(56,678)	15,349
Buildings	375,000	362,983	12,017	3,369
Total Facilities/Capital Outlay	399,681	444,342	(44,661)	18,718
TOTAL EXPENDITURES	505,681	452,969	52,712	140,155
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(505,581)	(452,799)	52,782	(140,060)
OTHER FINANCING SOURCES (USES)				
Transfers	450,000	425,000	(25,000)	75,000
CHANGE IN FUND BALANCE	(55,581)	(27,799)	27,782	(65,060)
BEGINNING FUND BALANCE	-	40,761	40,761	105,821
ENDING FUND BALANCE	\$ (55,581)	\$ 12,962	\$ 68,543	\$ 40,761

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1430 - Eads RE-1
 Fiscal Year 2022-23
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+	-	=	
10 General Fund	2,346,237	3,142,084	3,070,371	2,417,951
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	99,044	96,344	2,700
Sub-Total	2,346,237	3,241,129	3,166,715	2,420,651
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	24,792	157,565	145,924	36,432
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	118,125	180,137	189,527	108,734
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	40,761	425,170	452,969	12,962
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,529,914	4,004,000	3,955,135	2,578,778
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

See accompanying Independent Auditors' Report.

LIABILITIES & FUND EQUITY		General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Fund 06	Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	17,555	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,555
Other Payables (7421-7423)	14,952	0	0	0	0	0	36	0	0	0	0	0	0	0	0	0	14,988
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	156,951	0	2,671	0	0	0	0	0	0	0	0	0	0	0	0	0	159,622
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	84,493	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84,493
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	273,950	0	2,671	0	0	0	36	0	0	0	0	0	0	0	0	0	276,657

Fiduciary

Proprietary

Governmental

See accompanying Independent Auditors' Report.

FUND EQUITY		General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710		18,392	0	0	0	0	0	1,176	0	0	0	0	0	0	0	0	19,568
Restricted Fund Balance 6720		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721		106,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106,000
TABOR Multi-Year 6722		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724		0	0	2,700	0	0	0	0	0	0	0	0	0	0	0	0	2,700
Full-Day Kindergarten Reserve 6725		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750		0	0	0	108,734	0	0	35,256	0	12,962	0	0	0	0	0	0	156,952
Assigned Fund Balance 6760		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770		2,293,558	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,293,558
Invested in Capital Assets, Net of Related Debt 6790		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity		2,417,951	0	2,700	108,734	0	0	36,432	0	12,962	0	0	0	0	0	0	2,578,778
Total Liabilities & Fund Equity		2,691,901	0	5,371	108,734	0	0	36,468	0	12,962	0	0	0	0	0	0	2,855,436
For Each Fund Type: Do Assets=Liability+Fund Equity:		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Fiduciary

Proprietary

Governmental