
BAYFIELD SCHOOL DISTRICT
NUMBER 10-JTR
FINANCIAL STATEMENTS
JUNE 30, 2023

Contents

	Page
Independent Auditors' Report	1 - 4
Management's Discussion And Analysis	i - vii
Basic Financial Statements	
Statement Of Net Position.....	5
Statement Of Activities.....	6
Balance Sheet - Governmental Funds.....	7
Reconciliation Of The Governmental Funds Balance Sheet To The Statement Of Net Position	8
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	9
Reconciliation Of The Governmental Funds Statement Of Revenues, Expenditures And Changes In Fund Balances To The Statement Of Activities.....	10
Notes To Financial Statements	11 - 47
Required Supplementary Information	
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - General Fund	48
Schedule Of District's Proportionate Share Of The Net Pension Liability	49
Schedule Of District's Contributions To The Pension Plan	50
Schedule Of District's Proportionate Share Of The Net OPEB Liability - HCTF	51
Schedule Of District's Contributions To The OPEB Plan - HCTF	52
Notes To Required Supplementary Information	53

Contents (*Continued*)

Page

Supplementary Information

Combining Balance Sheet - Governmental Funds - Nonmajor Governmental Funds	54
Combining Statement Of Revenues, Expenditures And Changes In Fund Balance - Nonmajor Governmental Funds	55
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Governmental Designated Purpose Grants Fund.....	56
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Food Service Fund	57
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Student Activities Fund	58
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Capital Projects Fund	59
Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual - Debt Service Fund	60
Colorado Department Of Education Auditor's Integrity Report.....	61



1900 16th Street
Suite 1700
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Education
Bayfield School District Number 10-JtR
Bayfield, Colorado

Report On The Audit Of The Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information for Bayfield School District Number 10-JtR (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis For Opinions

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

Responsibilities Of Management For The Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and schedule of the District's OPEB contributions on pages i through vii and on pages 48 through 52, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules and the Colorado Department of Education Auditors Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and the Colorado Department of Education Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RubinBrown LLP

December 21, 2023

**Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023**

To the Board of Education, parents, taxpayers, and members of Bayfield School District 10-JtR (the "District"):

The discussion and analysis of the District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows on June 30, 2023 by \$1,540,689, an increase of \$505,649 from the prior year amount of \$1,035,040. Of this amount, negative \$16,844,978 is unrestricted. The significant negative unrestricted position is due to the District's required reporting of the District's proportional share of the Colorado PERA's managed Pension Plan and Retiree Health Care Trust Fund.
- The District's long-term obligations were \$59,764,843 at June 30, 2023.
- At June 30, 2023 the District's governmental funds reported combined ending fund balances of \$9,996,854.
- The governmental funds have an unassigned fund balance of \$5,606,141.
- At June 30, 2023, \$541,138 of the general fund was reserved for the emergency contingency required by state law.
- The final 2022-2023 per pupil funding amount after the negative factor was \$9,950.

Financial Statement Overview

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023

District-wide Financial Statements

The district-wide financial statements are designed to provide the reader of the District's comprehensive annual financial report a broad overview of the financial activities in a manner similar to a private sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information about all of the District's assets, deferred outflows and liabilities and deferred inflows. The difference between District's assets, deferred outflows and liabilities and deferred inflows reported as net position. Over time, changes in net position may serve as a useful indicator of the District's financial health.

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities) and other functions that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the General Fund, Food Service Fund, Governmental Designated Purpose Grants (Grant Fund), Debt Service Fund, Student Activities Fund and Capital Reserve Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. The District, like other governments, uses fund accounting to ensure and demonstrate compliance. All District funds are governmental funds.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Because the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Since the focus of each report differs, reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023

The District maintains two major governmental funds. The major funds are the General Fund and the Debt Service Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled nonmajor governmental funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The District adopts an annual appropriation budget for all its funds. A budgetary comparison schedule has been provided for the General, Food Service, Grant, Debt Service, Capital Projects and Student Activities funds to demonstrate compliance with this budget.

District-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash and investments, receivables, and inventories are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of proceeds of the property tax collection process. The District received approximately 92% of the annual property tax assessment in March, May and June.

Capital assets are used in the operations of the District. These assets are land, improvements, buildings, equipment, and vehicles.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2024. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal 2024.

Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023

Condensed Statement of Net Position

	June 30, 2023	June 30, 2022	% change
Assets			
Current assets	\$ 12,053,732	\$ 12,198,362	-1.2%
Net Capital Assets	<u>51,940,936</u>	<u>53,593,266</u>	<u>-3.1%</u>
Total Assets	63,994,668	65,791,628	-2.7%
Deferred Outflows of Resources			
Deferred Outflows for Pensions and OPEB	<u>5,512,172</u>	<u>4,842,440</u>	<u>13.8%</u>
Total Deferred Outflows of Resources	5,512,172	4,842,440	13.8%
Total Assets and Deferred Outflow of Resources	<u><u>\$ 69,506,840</u></u>	<u><u>\$ 70,634,068</u></u>	<u><u>-1.6%</u></u>
Liabilities			
Current Liabilities	\$ 3,996,874	\$ 4,022,222	-0.6%
Pension and other long-term liabilities	<u>59,764,843</u>	<u>55,935,552</u>	<u>6.8%</u>
Total Liabilities	63,761,717	59,957,774	6.3%
Deferred Inflows of Resources	<u>4,204,434</u>	<u>9,641,254</u>	<u>-56.4%</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>67,966,151</u></u>	<u><u>69,599,028</u></u>	<u><u>-2.3%</u></u>
Net Position			
Investment in Capital Assets, Net of Related Debt	14,633,967	14,412,311	1.5%
Restricted	3,751,700	3,616,513	3.7%
Unrestricted	<u>(16,844,978)</u>	<u>(16,993,784)</u>	<u>-0.9%</u>
Total Net Position	<u><u>\$ 1,540,689</u></u>	<u><u>\$ 1,035,040</u></u>	<u><u>48.9%</u></u>

The Statement of Activities and Changes in Net Position reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The dependence upon property tax and state funding revenues is significant. Over 97% of general revenue is provided by property taxes and state revenue.

Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023

Condensed Statement of Activities and Changes in Net Position

	June 30, 2023	June 30, 2022	% change
Revenue			
Program Revenue			
Charges for Services	\$ 557,545	\$ 371,263	50.2%
Operating and Capital Grants	1,412,156	2,320,577	-39.1%
Total Program Revenue	1,969,701	2,691,840	-26.8%
General Revenue:			
Property Taxes	8,317,212	7,908,220	5.2%
State Sources	12,293,492	11,803,368	4.2%
Investment Earnings	297,064	16,885	1659.3%
Other	267,978	196,279	36.5%
Total General Revenue	21,175,746	19,924,752	6.3%
Total Revenues	23,145,447	22,616,592	2.3%
Expenses			
Instruction	9,687,036	1,867,666	418.7%
Pupil Activities	6,950,613	6,793,252	2.3%
Support and Administration	4,457,268	4,190,237	6.4%
Interest and Fiscal Charges	1,544,881	1,308,446	18.1%
Total Expenses	22,639,798	14,159,601	59.9%
Change in net position	505,649	8,456,991	-94.0%
Net Position Beginning of Year	1,035,040	(7,421,951)	-113.9%
Net Position End of Year	\$ 1,540,689	\$ 1,035,040	48.9%

Financial Analysis of the District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenue and other financing sources of \$23.1 million, an increase of \$529 thousand from the previous year, primarily due to increased Charges for Services in the Food Service fund as there was limited free food program during the year, and increased Investment Earnings as interest rates earned on District cash balances increased significantly due to changes in the overall economy.

Total governmental expenditures were \$23.2 million, an increase of \$8.5 million from the previous year. The majority of the increase, approximately \$854 thousand, is due to increased salaries and benefits for District staff. The balance of the increase is primarily due to facility improvement and maintenance including extensive roof repair, concentrated at Bayfield Middle School, the District's oldest operating school building.

Bayfield School District 10 Jt-R
 Management's Discussion and Analysis
 For the fiscal year ended June 30, 2023

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounts to approximately \$14.6 million, an increase of approximately \$221 thousand from the prior year. This investment in capital assets includes land, improvements, buildings, equipment and vehicles less accumulated depreciation and related debt outstanding.

Major capital asset events during the current fiscal year included the following:

- Additions or upgrades to the District's buildings, equipment and vehicles.
- Payment of \$1.9 million of District Debt.
- Net change in Accumulated Depreciation of \$2.4 million.

Summary of Net Investment in Capital Assets

	Governmental Activities
Land	\$ 1,582,426
Construction in Progress	605,569
Buildings and improvements	77,204,298
Vehicles and equipment	<u>4,822,597</u>
Total Capital Assets	84,214,890
Less Accumulated Depreciation	(32,273,954)
Less Related Debt	<u>(37,306,969)</u>
Net Investment in Capital Assets	<u>\$14,633,967</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Debt

At June 30, 2023, the District had \$34,925,000 in general obligation bonds outstanding. Other long-term obligations include compensated absences in the amount of \$434,237.

More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

Bayfield School District 10 Jt-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2023

Economic Factors and Next Year's Budget and Rates

The 2023-2024 fiscal year adopted general fund budget includes \$19.5 million for estimated expenditures and transfers. The total estimated general fund revenue for the 2023-2024 budget is \$18.3 million. The estimated available fund balance at June 30, 2024 is \$4.2 million. The general fund revenue budget was based on a funded pupil count of approximately 1,303 and per pupil funding of \$10,988. The projected state share of the program funding amount is approximately \$11.5 million.

Requests For Information

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

John Moore or Annalise Lasater
Director of Finance
Bayfield School District 10 Jt-R
24 Clover Drive
Bayfield, Colorado 81122
(970) 884-2496

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and investments	\$ 11,469,918
Property tax receivable	347,637
Accounts, grants and other receivables	70,492
Prepaid expenses	125,837
Inventory	39,848
Capital assets, net:	
Nondepreciable	2,187,995
Depreciable	49,752,941
Total Assets	<u>63,994,668</u>
Deferred Outflows Of Resources	
Deferred outflows - pension	5,399,537
Deferred outflows - OPEB	112,635
Total Deferred Outflows Of Resources	<u>5,512,172</u>
Liabilities	
Accounts payable	445,390
Accrued expenses	1,376,174
Accrued interest payable	130,517
Unearned revenue	28,960
Long-term liabilities:	
Due within one year	2,015,833
Due in more than one year	35,725,373
Net pension liability	23,247,086
Net OPEB liability	792,384
Total Liabilities	<u>63,761,717</u>
Deferred Inflows Of Resources	
Deferred inflows - pension	3,888,350
Deferred inflows - OPEB	316,084
Total Deferred Inflows Of Resources	<u>4,204,434</u>
Net Position	
Net investment in capital assets	14,633,967
Restricted for:	
TABOR	541,138
Debt service	2,660,460
Food service	195,881
Student activities	354,221
Unrestricted	<u>(16,844,978)</u>
Total Net Position	<u>\$ 1,540,689</u>

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue And Changes In Net Position
	Expenses	Charges For Services	Operating Grants And Contributions	
Governmental Activities				
Instruction	\$ 9,687,036	\$ —	\$ 1,412,156	\$ (8,274,880)
Support services	6,587,765	219,732	—	(6,368,033)
Instructional support	4,457,268	—	—	(4,457,268)
Student activities	362,848	337,813	—	(25,035)
Interest and fiscal charges	1,544,881	—	—	(1,544,881)
Total Governmental Activities	\$ 22,639,798	\$ 557,545	\$ 1,412,156	(20,670,097)
General Revenues				
Property taxes				8,317,212
State equalization				11,105,784
Other state sources				1,187,708
Investment earnings				297,064
Miscellaneous				267,978
Total General Revenues				21,175,746
Change In Net Position				505,649
Net Position - Beginning Of Year				1,035,040
Net Position - End Of Year				\$ 1,540,689

See the notes to financial statements.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

BALANCE SHEET - GOVERNMENTAL FUNDS June 30, 2023

	Assets			
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash, cash equivalents and investments	\$ 7,802,276	\$ 2,819,947	\$ 847,695	\$ 11,469,918
Receivables:				
Property tax	192,865	154,772	—	347,637
Grants	50,100	—	10,785	60,885
Other	—	—	9,607	9,607
Inventories	—	—	39,848	39,848
Prepaid items	118,398	—	7,439	125,837
Total Assets	\$ 8,163,639	\$ 2,974,719	\$ 915,374	\$ 12,053,732

Liabilities, Deferred Inflow Of Resources And Fund Balance

Liabilities				
Accounts payable	\$ 426,179	\$ —	\$ 19,211	\$ 445,390
Accrued expenses	1,338,486	—	37,688	1,376,174
Unearned revenue	18,814	—	10,146	28,960
Total Liabilities	1,783,479	—	67,045	1,850,524

Deferred Inflow Of Resources

Unavailable property tax revenue	114,483	91,871	—	206,354
----------------------------------	---------	--------	---	---------

Fund Balance

Nonspendable	118,398	—	47,287	165,685
Restricted:				
Emergencies	541,138	—	—	541,138
Debt service	—	2,882,848	—	2,882,848
Food service	—	—	195,881	195,881
Student activities	—	—	354,221	354,221
Assigned	—	—	250,940	250,940
Unassigned	5,606,141	—	—	5,606,141
Total Fund Balance	6,265,677	2,882,848	848,329	9,996,854

Total Liabilities, Deferred Inflows Of Resources And Fund Balance

	\$ 8,163,639	\$ 2,974,719	\$ 915,374	\$ 12,053,732
--	--------------	--------------	------------	---------------

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2023

Total Governmental Funds Balances		\$ 9,996,854
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		51,940,936
Unavailable revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		206,354
Accrued interest on long-term debt is not accrued at the fund level but is reported on the government-wide statement of net position.		(130,517)
Pension liability and related deferred outflows and deferred inflows are not considered current and, therefore, not reported in the funds.		
Deferred outflows	5,399,537	
Deferred inflows	(3,888,350)	
Net pension liability	<u>(23,247,086)</u>	(21,735,899)
OPEB liability and related deferred outflows and deferred inflows are not considered current and, therefore, not reported in the funds.		
Deferred outflows	112,635	
Deferred inflows	(316,084)	
Net OPEB liability	<u>(792,384)</u>	(995,833)
Liabilities not due and payable in the current period are not reported in the funds but are reported on the statement of net position. Similarly, bond premiums are recognized as other financing sources in the funds when issued but amortized in the statement of activities. The unamortized portion of these long-term debt-related items is included with governmental activities.		
General obligation bonds and other debt	(34,925,000)	
Compensated absences	(434,237)	
Unamortized bond premium	<u>(2,381,969)</u>	(37,741,206)
Net Position Of Governmental Activities		<u>\$ 1,540,689</u>

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

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

	General	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 4,917,879	\$ 3,376,353	\$ —	\$ 8,294,232
Intergovernmental	12,627,274	—	985,074	13,612,348
Charges for services	—	—	219,732	219,732
Local sources	93,300	—	—	93,300
Student activities	—	—	337,813	337,813
Investment income	235,739	61,325	—	297,064
Other	240,972	—	27,006	267,978
Total Revenues	18,115,164	3,437,678	1,569,625	23,122,467
Expenditures				
Current:				
Instruction	9,965,768	—	229,464	10,195,232
Supporting services	3,902,677	—	236,382	4,139,059
Operations and maintenance of facilities	2,173,100	—	—	2,173,100
Student transportation	686,411	—	—	686,411
Central services	986,077	—	611,680	1,597,757
Student activities	—	—	362,848	362,848
Capital outlay	728,824	—	67,552	796,376
Debt service:				
Principal	—	1,660,000	—	1,660,000
Interest and fees	—	1,595,600	—	1,595,600
Total Expenditures	18,442,857	3,255,600	1,507,926	23,206,383
Excess Revenues Over Expenditures	(327,693)	182,078	61,699	(83,916)
Other Financing Sources (Uses)				
Interfund transfers	(140,000)	—	140,000	—
Net Change In Fund Balance	(467,693)	182,078	201,699	(83,916)
Fund Balance - Beginning Of Year	6,733,370	2,700,770	646,630	10,080,770
Fund Balance - End Of Year	\$ 6,265,677	\$ 2,882,848	\$ 848,329	\$ 9,996,854

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

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

Net Change In Fund Balances - Total Governmental Funds \$ (83,916)

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

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

Capital additions	796,376	
Depreciation expense	<u>(2,448,706)</u>	(1,652,330)

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the funds. 22,980

The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

Bond principal payments	1,660,000	
Amortization of bond premiums	213,986	1,873,986

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(167,958)	
Change in accrued interest payable	<u>4,691</u>	(163,267)

Pension benefit reported in the statement of activities is not a current financial resource and, therefore, is not reported as revenue in the funds. 391,324

OPEB benefit reported in the statement of activities is not a current financial resource and, therefore, is not reported as revenue in the funds. 116,872

Change In Net Position Of Governmental Activities \$ 505,649

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

1. Summary Of Significant Accounting Policies

Reporting Entity

The financial statements of the Bayfield School District Number 10-JtR (the District) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units and the *Financial Policies and Procedures Handbook* as prescribed by state law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

The District was organized under the provisions of Colorado statutes for the purpose of operating elementary and secondary schools in Bayfield, Colorado.

The inclusion or exclusion of component units is based on a determination of the elected officials' financial accountability to their constituents and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government and discretely presented component units. The criteria used to determine whether an entity should be included, either blended or discretely presented, includes, but is not limited to, fiscal dependency, imposition of will, legal standing and the primary recipient of services. The District has no component units included in this report.

Measurement Focus, Basis Of Accounting And Basis Of Presentation

District-Wide And Fund Financial Statements

The District-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are normally supported by taxes and intergovernmental revenues.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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

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

The District-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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

The District has the following fund types and account groups:

Governmental Funds are used to account for the District's general government activities. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District considers all revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for certain long-term obligations. These include unmatured principal and interest on general long-term debt, which is recognized when due, and compensated absences, which are recognized when due and payable.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Property taxes, interest, grants and entitlements are susceptible to accrual. Other receipts become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The major governmental funds are:

- *General Fund* - This fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Debt Service Fund* - This fund accounts for the accumulated resources used to retire principal and interest on long-term debt.

The nonmajor governmental funds are:

- *Governmental Designated Purpose Grants Fund* - This fund is used to account for revenues and expenditures associated with federal and state grants.
- *Food Service Fund* - This fund is a special revenue fund used to account for the operations of the school breakfast and lunch programs.
- *Capital Projects Fund* - This fund is used to account for funds used to purchase capital assets, with the exception of those projects financed by debt issuances authorized by voters in November 2012 and November 2016.
- *Student Activities Fund* - This fund is a special revenue fund used to account for the operations of student athletics, clubs and other related activities. Student activities are funded by students, gate receipts and other fund-raising activities.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Assets, Deferred Outflows Of Resources, Liabilities, Deferred Inflows Of Resources And Net Position/Fund Balance

Deposits And Investments

Cash and cash equivalents include all interest or equity in pooled cash and investments. The District pools cash and investments for some funds for management and investment purposes. These funds have an interest in the pool, which is available upon demand. Investments in securities are primarily measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Property Taxes

Property taxes are levied by the Board of Education. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year.

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or, if in equal installments, at the taxpayers' election, on February 28 and June 15. Delinquent taxpayers are notified in August, and tax sales of the liens on delinquent properties are held in November. The County Treasurers remit the taxes collected monthly to the District.

Inventories

Inventories are held by the Food Service Fund and are valued at cost using the first-in/first-out method. The District utilizes the purchase method of accounting for inventory. The federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as operating revenues and expenses.

Capital Assets

Capital assets are recorded at cost or historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the estimated useful lives of 5 to 30 years. The District's capitalization threshold is \$5,000.

Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied and when certain grants are received before eligibility requirements are met.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68); GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The District has multiple types that qualify for reporting in this category. Unavailable property tax revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Also, the District has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68, GASB 71 and GASB 75.

Pensions

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of 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.

Postemployment Benefits Other Than Pensions

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of HCTF 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.

Compensated Absences

Each employee of the District may accumulate a total of 60 days of sick leave. Employees are paid for the accumulated sick leave upon retirement or other termination.

The District accrues a liability for compensated absences, which meet the following criteria:

- The District's obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

These compensated absences are recognized as current salary costs when due in the governmental funds. A long-term liability has been reported in the District-wide financial statements for the accrued compensated absences.

Accrued Salaries

Salaries and benefits to teachers and certain other employees are paid over a 12-month period from August 31 to August 30, but are earned over a school year of approximately 9 months. The salaries earned, but unpaid, at June 30, 2023 are reflected in the financial statements as an accrued liability.

Long-Term Obligations

The District reports long-term debt and other long-term obligations as liabilities in the District-wide financial statements. Bond premiums and discounts and deferred amounts in refundings are deferred and amortized over the life of the bonds using the straight-line method. Reported bonds payable include the effect of bond premiums and discounts.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source while premiums received are reported as other financing sources and discounts are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Issuance costs are also expensed in the government-wide statement of activities.

Net Position/Fund Balance

In the District-wide financial statements, equity is shown as net position and is classified into three components:

- *Net investment in capital assets* - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- *Restricted net position* - consists of net position with restrictions placed on their use either by:
 - External groups such as creditors, grantors, contributors or laws or regulations of the governments or
 - Law through constitutional provisions or enabling legislation
- *Unrestricted net position* - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

The District has not adopted fund balance policies; therefore, the District will follow the guidance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance restricted for emergencies reflects equity which is restricted for emergency purposes by the Taxpayer Bill of Rights Amendment (TABOR) of the State of Colorado (the State) Constitution. “Emergency” excludes economic conditions, revenue shortfalls or District salary or fringe benefit increases. In the fund financial statements, the governmental funds report the following classifications of fund balance:

- *Nonspendable* - includes items not expected to be converted to cash in the near term (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact.
- *Restricted* - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- *Committed* - consists of funds intended to be used for specific purposes determined by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education.
- *Assigned* - consists of funds intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The District has delegated the authority to the Superintendent, or his designee, to assign funds and amounts to be used for specific purposes.
- *Unassigned* - the residual classification of the General Fund which includes all spendable amounts not contained in other classifications. This category also provides the resources necessary to meet any unexpected expenditures and revenue shortfalls.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. For the classification of fund balances, the District considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance are available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned and, lastly, unassigned.

Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. All interfund transfers are reported as operating transfers.

Jointly Governed Organization

The District is one of eight school districts that are members of the San Juan Board of Cooperative Educational Services (the BOCES). The BOCES is a regional education service unit created under the Board of Cooperative Services Act of 1965 of the Colorado Revised Statutes (CRS). The BOCES provides unique education services that the member districts could not provide individually on a cost-effective basis. A board, made up of representatives from each member district's board, governs the BOCES. The governing board is autonomous as to budgeting and fiscal matters. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained at www.sjboces.org.

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses. Actual results could differ from these estimates.

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds. All annual appropriations lapse at fiscal year end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Budgets are required by Colorado State Statute for all funds. In April, the Superintendent of Schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds. The appropriated budget is prepared by fund.

The District's department heads may not make transfers of appropriations. The legal level of control is the fund level.

Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Education.

Variations between budget and actual results can arise from the nonexpenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects and normal operating variances.

2. Cash, Cash Equivalents And Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of June 30, 2023, the District had bank deposits of \$1,082,911, of which \$270,625 was covered by the Federal Deposit Insurance Corporation and the remainder was covered by PDPA.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Investments

The District follows the Colorado State Statute investment requirements. Beyond Colorado State Statute requirements, the District does not have a written investment policy that limits the District's allowable deposits or investments and addresses the specific types of risk to which the District is exposed.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days
- Corporate bonds holding one of the two highest credit rating categories
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of June 30, 2023, the District has invested \$10,475,712 in Colorado Government Liquid Asset Trust (ColoTrust), a local government investment pool. Investments in ColoTrust are measured at net asset value, which approximates fair value, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. ColoTrust does not have any unfunded commitments, redemption restrictions or redemption notice periods. ColoTrust is rated AAAM by Standard and Poor's. ColoTrust's financial statements are available at www.colotrust.com.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

As of June 30, 2023, the District had no investments required to be categorized in the fair value hierarchy.

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. Colorado State Statutes limit investment maturities to five years or less without governing board maturity. Based on the current rate environment, the District assumes investments will be held to maturity. As of June 30, 2023, all investments consist of ColoTrust and maturities are not applicable.

Credit Risk - Colorado State Statutes limit investments in U.S. agency securities to the highest rating issued by nationally recognized statistical rating organizations. Colorado State Statutes limit investments in corporate and bank securities to those with ratings of AA- or Aa3 and above. The District's policy is to invest in financial institutions that qualify as an eligible public depository in accordance with state law. ColoTrust is rated AAAM.

Concentration Of Credit Risk - Colorado State Statutes do not limit the amount the District may invest in one issuer. The District does not have a formal investment policy that places limits in amounts invested in a single issuer.

3. Inter-fund Balances

The interfund receivable and payable relate to temporary borrowings in the District pooled cash accounts.

The inter-fund transfers related to budgeted transfer from General Fund to the Capital Projects Fund to support capital-related expenditure.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

4. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Nondepreciable Capital Assets					
Land	\$ 1,582,426	\$ —	\$ —	\$ —	\$ 1,582,426
Construction in progress	139,383	466,186	—	—	605,569
Total Nondepreciable Capital Assets	1,721,809	466,186	—	—	2,187,995
Depreciable Capital Assets					
Buildings	76,391,120	9,265	—	—	76,400,385
Vehicles and equipment	4,578,695	243,902	—	—	4,822,597
Improvements	726,890	77,023	—	—	803,913
Total Assets Being Depreciated	81,696,705	330,190	—	—	82,026,895
Accumulated Depreciation	(29,825,248)	(2,448,706)	—	—	(32,273,954)
Total Depreciable Capital Assets	51,871,457	(2,118,516)	—	—	49,752,941
Capital Assets, Net	\$ 53,593,266	\$ (1,652,330)	\$ —	\$ —	\$ 51,940,936

Depreciation expense of the governmental activities was charged to Support Services within the statement of activities.

5. Long-Term Obligations

During the period ended June 30, 2023, the following changes occurred in liabilities reported as long-term debt:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Current
Bonds Payable					
General Obligations:					
Series 2012	\$ 4,385,000	\$ —	\$ —	\$ 4,385,000	\$ —
Series 2013	6,010,000	—	775,000	5,235,000	790,000
Series 2015 refunding	890,000	—	115,000	775,000	120,000
Series 2016	25,300,000	—	770,000	24,530,000	805,000
Total Bonds	36,585,000	—	1,660,000	34,925,000	1,715,000
Bond premiums	2,595,955	—	213,986	2,381,969	213,986
Compensated absences	266,279	468,837	300,879	434,237	86,847
Total	\$ 39,447,234	\$ 468,837	\$ 2,174,865	\$ 37,741,206	\$ 2,015,833

Compensated absences of the governmental activities are expected to be liquidated with revenues of the General and Food Service Funds.

General Obligation Bonds, Series 2012

Bonds were issued December 28, 2012 totaling \$4,385,000. Proceeds of these bonds were to finance the acquisition, construction and equipping of certain capital improvements, as approved by voters in the November 2012 election. The bonds are payable in denominations of \$5,000, and the interest rate is 4.0%. Interest is due semiannually on June 1 and December 1. Principal payments are due beginning December 1, 2029 and each year thereafter to 2032.

General Obligation Bonds, Series 2013

Bonds were issued April 24, 2013 totaling \$7,515,000. Proceeds of these bonds were to finance the acquisition, construction and equipping of certain capital improvements, as approved by voters in the November 2012 election. The bonds are payable in denominations of \$5,000, and interest rates range from 2.0% to 4.0%. Interest is due semiannually on June 1 and December 1. Principal payments are due beginning December 1, 2020 and each year thereafter to 2028.

General Obligation Refunding Bonds, Series 2015

Bonds were issued November 18, 2015 totaling \$3,535,000. Proceeds of these bonds were to establish an escrow sufficient to refund the remaining balance of the General Obligation Refunding Bonds, Series 2005. The bonds are payable in denominations of \$5,000, and interest rates range from 2.0% to 3.0%. Interest is due semiannually on June 1 and December 1. Principal payments are due beginning December 1, 2016 and each year thereafter to 2028.

General Obligation Bonds, Series 2016

Bonds were issued December 6, 2016 totaling \$28,700,000. Proceeds of these bonds were to finance the acquisition, construction and equipping of certain capital improvements, specifically building a new grade 3 - 5 elementary school, renovating the existing elementary school and making improvements to site safety and security at the existing middle school as approved by voters in the November 2016 election. The bonds are payable in denominations of \$5,000, and interest rates range from 2.0% to 5.0%. Interest is due semiannually on June 1 and December 1. Principal payments are due beginning December 1, 2017 and each year thereafter to 2041.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

Annual debt service requirements to maturity for all outstanding bonds and long-term debt are as follows:

Fiscal Year Ending June 30, 2022	Principal	Interest	Total
2024	\$ 1,715,000	\$ 1,529,075	\$ 3,244,075
2025	1,795,000	1,453,050	3,248,050
2026	1,870,000	1,372,300	3,242,300
2027	1,950,000	1,286,775	3,236,775
2028	2,040,000	1,197,400	3,237,400
2029 - 2033	12,485,000	5,434,750	17,919,750
2034 - 2038	7,625,000	2,186,000	9,811,000
2039 - 2041	5,445,000	441,200	5,886,200
Total	\$ 34,925,000	\$ 14,900,550	\$ 49,825,550

6. Employee Retirement Plan - Defined Benefit Pension Plan

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

Benefits Provided As Of December 31, 2022 - PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 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 following:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

- 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
- The amount of \$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 highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five 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 CRS. Subject to the automatic adjustment provision (the AAP) under CRS § 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 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% annual increase 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 annual increase cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Disability benefits are available for eligible employees once they reach 5 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 SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under CRS § 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.

The employer contribution requirements during the period of July 1, 2022 through June 30, 2023 are summarized in the table below.

Employer contribution rate ¹	11.40%
Amount of employer contribution apportioned to HCTF as specified in CRS 24-51-208(1)(f)	<u>-1.02%</u>
Amount apportioned to SCHDTF	10.38%
Amortization equalization disbursement (AED) as specified by CRS 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in CRS 24-51-411	<u>5.50%</u>
Total Employer Contribution Rate To SCHDTF¹	<u>20.38%</u>

¹ Rates are expressed as a percentage of salary as defined in CRS 24-51-101(42)

Employer contributions are recognized by SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SCHDTF. Employer contributions recognized by SCHDTF from the District were \$1,982,376 for the fiscal year ended June 30, 2023.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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 CRS § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of SCHDTF, State Division Trust Fund, Judicial Division Trust Fund and DPS 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, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - The net pension liability for SCHDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to 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 \$23,247,086 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 23,247,086
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>6,774,434</u>
Total	<u><u>\$ 30,021,520</u></u>

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

At December 31, 2022, the District's portion was 0.1277%, which was a decrease of 0.0235% from its portion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized pension benefit of \$391,324. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 220,011	\$ —
Changes of assumptions	411,783	—
Net difference between projected and actual earnings on pension plan investments	3,122,942	—
Changes in proportion and differences between District contributions and proportionate share of contributions	643,565	3,888,350
District's contributions subsequent to the measurement date	1,001,236	—
Total	\$ 5,399,537	\$ 3,888,350

The amount of \$1,001,236 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 benefit (expense) as follows:

Fiscal Year Ending June 30, 2023	Total
2024	\$ (1,205,720)
2025	(885,469)
2026	784,664
2027	1,816,476
Total	\$ 509,951

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Actuarial Assumptions - The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after December 31, 2006 ¹	Financed by AIR

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

The total pension liability as of December 31, 2022 includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Post-retirement nondisabled-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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate Of Return</u>
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	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 rate of return assumption of 7.25%.

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

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 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 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Based on the above assumptions and methods, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount 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 liability	\$ 30,422,440	\$ 23,247,086	\$ 17,254,932

Pension Plan Fiduciary Net Position - Detailed information about SCHDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

7. Employee Retirement Plan - Defined Benefit OPEB Plan

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

Benefits Provided - 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 DPS Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between 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.

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

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-base subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5.00% 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.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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, CRS § 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 HCTF or 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 5.00% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, HCTF or 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 CRS, as amended, certain contributions are apportioned to 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 HCTF.

Employer contributions are recognized by 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 HCTF from the District were \$97,823 for the year ended June 30, 2023.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

OPEB Liabilities, OPEB Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB

At June 30, 2023, the District reported a liability of \$792,384 for its proportionate share of the net OPEB liability. The net OPEB liability for HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to HCTF for the calendar year 2022 relative to the total contributions of participating employers to HCTF.

At December 31, 2022, the District's proportion was 0.0970%, which was a decrease of 0.0016% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB benefit of \$116,872. 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 Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 2,017	\$ 191,213
Changes of assumptions	10,825	87,868
Net difference between projected and actual earnings on OPEB plan investments	48,399	—
Changes in proportion and differences between District contributions and proportionate share of contributions	229	37,003
District's contributions subsequent to the measurement date	51,165	—
Total	\$ 112,635	\$ 316,084

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

The amount of \$51,165 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:

Fiscal Year Ended June 30, 2022	Amount
2023	\$ (93,346)
2024	(83,493)
2025	(40,156)
2026	(8,629)
2027	(23,594)
Thereafter	(5,396)
Total	\$ (254,614)

Actuarial Assumptions

The total OPEB liability in December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

The total OPEB liability for the HCTF, as of the December 31, 2022 measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (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 fiduciary net position as of the December 31, 2022 measurement date.

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

Age-Related Morbidity Assumptions

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

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements *(Continued)*

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

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

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

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

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

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

Year	PERACare Medicare Plan	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%

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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 total OPEB liability for HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in 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.

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

Pre-retirement nondisabled 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 nondisabled mortality assumptions for the School Divisions 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.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

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.

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

- 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 for Medicare Part A 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.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

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 every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate Of Return</u>
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	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%.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (Continued)

Sensitivity Of The District's Proportionate Share Of The Net OPEB Liability To Changes In The Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability	\$ 769,956	\$ 792,384	\$ 816,788

Discount Rate

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

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

Notes To Financial Statements (*Continued*)

- Benefit payments and contributions were assumed to be made in the middle of the year.

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

Sensitivity Of The District's Proportionate Share Of The Net OPEB Liability To Changes In The Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 918,608	\$ 792,384	\$ 684,422

OPEB Fiduciary Net Position

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

8. Defined Contribution Benefit Plan

Plan Description

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

Funding Policy

The Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of CRS, as amended. There is no employer match. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$76,337 to the Plan.

9. Tax, Spending And Debt Limitation

In November 1992, Colorado voters approved TABOR, containing tax, spending and debt limitations on the State and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. In November 2001, a majority of the District's electors authorized the District to collect and spend or retain, in a reserve, all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of this amendment. TABOR also requires local governments to establish emergency reserves to be used only for declared emergencies. The amount restricted at June 30, 2023 for this purpose was \$44,763.

10. Commitments And Contingencies

Litigation

The District is occasionally involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The District believes the ultimate disposition of the actions will not have a material effect on the financial statements.

Grants

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

11. Risk And Uncertainty

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District pays an annual premium for general property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Required Supplementary Information

Major Funds

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For The Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 4,737,200	\$ 4,855,450	\$ 4,917,879	\$ 62,429
Intergovernmental revenue:				
Federal	213,200	292,926	333,782	40,856
State sources:				
Equalization	11,275,000	11,105,800	11,105,784	(16)
Other state	1,060,000	1,119,620	1,187,708	68,088
Other revenue from local sources	—	75,000	93,300	18,300
Miscellaneous revenue:				
Interest	17,000	175,000	235,739	60,739
Other	204,850	225,100	240,972	15,872
Total Revenues	17,507,250	17,848,896	18,115,164	266,268
Expenditures				
Instruction	9,770,788	9,981,622	9,965,768	15,854
Supporting services:				
Instruction	938,119	990,111	820,283	169,828
Students	623,801	726,907	808,098	(81,191)
General administration	792,519	805,469	726,706	78,763
School administration	1,371,924	1,417,801	1,342,325	75,476
Business services	237,573	238,073	205,265	32,808
Operations and maintenance of plant	2,174,052	2,219,152	2,173,100	46,052
Student transportation	717,909	738,743	686,411	52,332
Central services	952,942	957,342	986,077	(28,735)
Capital outlay	355,900	363,900	728,824	(364,924)
Total Expenditures	17,935,527	18,439,120	18,442,857	(3,737)
Deficiency Of Revenues Under Expenditures	(428,277)	(590,224)	(327,693)	262,531
Other Financing Uses				
Transfers out	(140,000)	(140,000)	(140,000)	—
Net Change In Fund Balance	(568,277)	(730,224)	(467,693)	262,531
Fund Balance - Beginning Of Year	5,861,368	6,733,371	6,733,370	(1)
Fund Balance - End Of Year	\$ 5,293,091	\$ 6,003,147	\$ 6,265,677	\$ 262,530

Notes to Required Supplementary Information:

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For The Year Ended December 31, 2022
Employee Pension Plan
Year Nine**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.127664846%	0.151149029%	0.170920796%	0.152801277%	0.156165067%	0.183057484%	0.180868633%	0.181097114%	0.180734064%
District's proportionate share of the net pension liability	\$ 23,247,086	\$ 17,589,766	\$ 25,839,777	\$ 22,828,179	\$ 27,652,233	\$ 59,194,285	\$ 53,851,587	\$ 27,697,525	\$ 24,496,537
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	6,774,434	2,016,442	—	2,895,465	3,326,241	—	—	—	—
Total	\$ 30,021,520	\$ 19,606,208	\$ 25,839,777	\$ 25,723,644	\$ 30,978,474	\$ 59,194,285	\$ 53,851,587	\$ 27,697,525	\$ 24,496,537
District's covered payroll	\$ 9,848,189	\$ 9,446,317	\$ 9,139,873	\$ 8,978,012	\$ 8,584,204	\$ 9,113,338	\$ 9,089,658	\$ 8,202,664	\$ 7,914,626
District's proportionate share of the net pension liability as a percentage of its covered payroll	236%	186%	283%	254%	322%	650%	592%	338%	309%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.84%

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN

For The Year Ended June 30, 2023

Employee Pension Plan

Year Nine**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,982,376	\$ 1,916,172	\$ 1,860,734	\$ 1,638,016	\$ 1,780,825	\$ 1,697,838	\$ 1,576,024	\$ 1,470,551	\$ 1,424,582
Contributions in relation to the contractually required contribution	(1,982,376)	(1,916,172)	(1,860,734)	(1,638,016)	(1,780,825)	(1,697,838)	(1,576,024)	(1,470,551)	(1,424,582)
Contribution Deficiency	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
District's covered payroll	\$ 9,678,069	\$ 9,520,846	\$ 9,276,759	\$ 9,073,047	\$ 8,415,685	\$ 8,259,771	\$ 8,238,995	\$ 7,742,279	\$ 7,554,567
Contributions as a percentage of covered payroll	20.48%	20.13%	20.06%	18.05%	21.16%	20.56%	19.13%	18.99%	18.86%

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE

OF THE NET OPEB LIABILITY - HCTF

For The Year Ended December 31, 2022

Year Six**

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.097048959%	0.098690257%	0.098836577%	0.099849073%	0.101495985%	0.104012493%
District's proportionate share of the net OPEB liability	\$ 792,384	\$ 851,348	\$ 939,170	\$ 1,122,302	\$ 1,380,896	\$ 1,351,747
District's covered payroll	\$ 9,848,189	\$ 9,446,317	\$ 9,139,873	\$ 8,978,012	\$ 8,584,204	\$ 9,113,338
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	8.05%	9.01%	10.28%	12.50%	16.09%	14.83%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TO THE OPEB PLAN - HCTF**

**For The Year Ended June 30, 2023
Year Six****

	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 101,259	\$ 97,823	\$ 95,471	\$ 86,210	\$ 94,850	\$ 44,272
Contributions in relation to the contractually required contribution	(101,259)	(97,823)	(95,471)	(86,210)	(94,850)	(44,272)
Contribution Deficiency	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
District's covered payroll	\$ 9,678,069	\$ 9,520,846	\$ 9,276,759	\$ 9,073,047	\$ 8,415,685	\$ 8,259,771
Contributions as a percentage of covered payroll	1.05%	1.03%	1.03%	0.95%	1.13%	0.54%

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

1. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

2. Expenditures/Expenses In Excess Of Appropriations

Colorado's budget law requires that expenditures and transfers for a department or fund cannot exceed the appropriations for that department or fund. Appropriations for a department or fund may be increased, provided unanticipated resources offset them.

The budget is controlled at the category line item level within each division within each fund. However, the legal level of appropriation is at the fund level. If the division expenditures exceed the division budget by more than \$500, then the expenditures are deemed to be in excess of the appropriations. For the year ended June 30, 2023, expenditures of the General Fund exceeded appropriations.

Supplementary Information

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR
COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS -
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Assets						
	Special Revenue Funds					Total Nonmajor Governmental Fund
	Governmental Designated- Purpose Grants Fund	Food Service Fund	Student Activities Fund	Capital Projects Fund		
Cash, cash equivalents and investments	\$ 30,667	\$ 211,867	\$ 354,221	\$ 250,940		\$ 847,695
Receivables						
Grants	10,785	—	—	—		10,785
Other	—	9,607	—	—		9,607
Inventories	—	39,848	—	—		39,848
Prepaid Expenses	—	7,439	—	—		7,439
Total Assets	\$ 41,452	\$ 268,761	\$ 354,221	\$ 250,940		\$ 915,374
Liabilities And Fund Balance						
Liabilities						
Accounts payable	\$ 663	\$ 18,548	\$ —	\$ —		\$ 19,211
Accrued salaries payable	30,643	7,045	—	—		37,688
Unearned revenue	10,146	—	—	—		10,146
Total Liabilities	41,452	25,593	—	—		67,045
Fund Balance						
Nonspendable	—	47,287	—	—		47,287
Restricted	—	195,881	354,221	—		550,102
Assigned	—	—	—	250,940		250,940
Total Fund Balance	—	243,168	354,221	250,940		848,329
Total Liabilities And Fund Balance	\$ 41,452	\$ 268,761	\$ 354,221	\$ 250,940		\$ 915,374

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2023**

	Special Revenue Funds				Total Nonmajor Governmental Fund
	Governmental Designated- Purpose Grants Fund	Food Service Fund	Student Activities Fund	Capital Projects Fund	
Revenues					
Intergovernmental:					
Federal	\$ 288,792	\$ 567,712	\$ —	\$ —	\$ 856,504
State	128,570	—	—	—	128,570
Charges for services	—	219,732	—	—	219,732
Student activities	—	—	337,813	—	337,813
Other	—	12,034	—	14,972	27,006
Total Revenues	417,362	799,478	337,813	14,972	1,569,625
Expenditures					
Instruction	229,464	—	—	—	229,464
Supporting service	187,898	—	—	48,484	236,382
Food and milk and personnel	—	611,680	—	—	611,680
Student activities	—	—	362,848	—	362,848
Capital outlay	—	67,552	—	—	67,552
Total Expenditures	417,362	679,232	362,848	48,484	1,507,926
Excess (Deficiency) Of Revenues Under Expenditures	—	120,246	(25,035)	(33,512)	61,699
Other Financing Sources					
Transfers in	—	—	—	140,000	140,000
Net Change In Fund Balance	—	120,246	(25,035)	106,488	201,699
Fund Balance - Beginning Of Year	—	122,922	379,256	144,452	646,630
Fund Balance - End Of Year	\$ —	\$ 243,168	\$ 354,221	\$ 250,940	\$ 848,329

Nonmajor Governmental Funds

Governmental Designated Purpose Grants Fund - This fund is used to account for revenues and expenditures from federal, state and local grants.

Food Service Fund - This fund is used to account for the operations of the District's school lunch program.

Student Activities Fund - This fund is a special revenue fund used to account for the operations of student athletics, clubs and other related activities.

Capital Projects Fund - This fund is used to account for the revenues allocated for capital expenditures, except for those projects related to the issuance of debt approved in the November 2012 and November 2016 elections.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND
For The Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental:				
Federal	\$ 339,625	\$ 300,158	\$ 288,792	\$ (11,366)
State	153,000	139,725	128,570	(11,155)
Total Revenues	492,625	439,883	417,362	(22,521)
Expenditures				
Instruction	241,009	230,228	229,464	764
Supporting services	251,616	209,655	187,898	21,757
Total Expenditures	492,625	439,883	417,362	22,521
Net Change In Fund Balance	—	—	—	—
Fund Balance - Beginning Of Year	—	—	—	—
Fund Balance - End Of Year	\$ —	\$ —	\$ —	\$ —

Notes to Supplementary Information:

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
FOOD SERVICE FUND**

For The Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for services	\$ 235,050	\$ 237,285	219,732	\$ (17,553)
Federal grants	280,800	631,270	567,712	(63,558)
Other	11,150	15,350	12,034	(3,316)
Total Revenues	527,000	883,905	799,478	(84,427)
Expenditures				
Food and milk and personnel	624,241	726,957	611,680	115,277
Capital outlay	65,000	70,000	67,552	2,448
Total Expenditures	689,241	796,957	679,232	117,725
Net Change In Fund Balance	(162,241)	86,948	120,246	33,298
Fund Balance - Beginning Of Year	231,910	122,921	122,922	1
Fund Balance - End Of Year	\$ 69,669	\$ 209,869	\$ 243,168	\$ 33,299

Notes to Supplementary Information:

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
STUDENT ACTIVITIES FUND**

For The Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Student activities	\$ 400,000	\$ 400,000	\$ 337,813	\$ (62,187)
Expenditures				
Student activities	400,000	400,000	362,848	37,152
Net Change In Fund Balance	—	—	(25,035)	(25,035)
Fund Balance - Beginning Of Year	322,528	379,256	379,256	—
Fund Balance - End Of Year	\$ 322,528	\$ 379,256	\$ 354,221	\$ (25,035)

Notes to Supplementary Information:

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

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND**

For The Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other	\$ 9,528	\$ 9,528	\$ 14,972	\$ 5,444
Expenditures				
Supporting services	50,000	50,000	48,484	1,516
Deficiency Of Revenues Under Expenditures	(40,472)	(40,472)	(33,512)	6,960
Other Financing Sources				
Transfers in	140,000	140,000	140,000	—
Net Change In Fund Balance	99,528	99,528	106,488	6,960
Fund Balance - Beginning Of Year	117,582	144,451	144,452	1
Fund Balance - End Of Year	\$ 217,110	\$ 243,979	\$ 250,940	\$ 6,961

Notes to Supplementary Information:

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

Major Funds

Debt Service Fund - This fund is used to account for the accumulation of resources for payment of general obligation long-term debt principal and interest. Revenues are based upon a property tax mill levy set by the School Board to redeem the District's bonded indebtedness

BAYFIELD SCHOOL DISTRICT NUMBER 10-JTR

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND**

For The Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,342,090	\$ 3,360,135	\$ 3,376,353	\$ 16,218
Interest income	2,270	37,270	61,325	24,055
Total Revenues	3,344,360	3,397,405	3,437,678	40,273
Expenditures				
Debt service:				
Principal	1,594,350	1,660,000	1,660,000	—
Interest and fees	1,662,400	1,596,750	1,595,600	1,150
Total Expenditures	3,256,750	3,256,750	3,255,600	1,150
Net Change In Fund Balance	87,610	140,655	182,078	41,423
Fund Balance - Beginning Of Year	2,708,796	2,700,771	2,700,770	(1)
Fund Balance - End Of Year	\$ 2,796,406	\$ 2,841,426	\$ 2,882,848	\$ 41,422

Notes to Supplementary Information:

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.



Colorado Department of Education
Auditors Integrity Report
 District: 1530 - Bayfield 10 Jt-R
 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	6,733,371		17,975,164	18,442,859		6,265,677
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	6,733,371		17,975,164	18,442,859		6,265,677
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	122,923		799,477	679,232		243,168
22 Govt Designated-Purpose Grants Fund	0		417,362	417,362		0
23 Pupil Activity Special Revenue Fund	379,256		337,813	362,847		354,221
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	2,700,771		3,437,677	3,255,600		2,882,848
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	144,452		154,972	48,485		250,940
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	10,080,773		23,122,465	23,206,384		9,996,853
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