

cPa DIXON, WALLER & CO., INC.

KIM SCHOOL DISTRICT RE-88

KIM, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2023

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS

JUNE 30, 2023

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KIM SCHOOL DISTRICT RE-88
ROSTER OF SCHOOL OFFICIALS
June 30, 2023

BOARD OF EDUCATION

Nikki Shannon

President

John Cranson

Vice-President

Brandi Jackson

Secretary/Treasurer

Tate Watkins

Member

SCHOOL OFFICIALS

Monica Giffing

Superintendent

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Kim School District RE-88
Kim, Colorado 81049

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kim School District Number RE-88, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Kim School District Number RE-88's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kim School District Number RE-88, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Kim School District Number RE-88, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kim School District Number RE-88's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kim School District Number RE-88'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 Kim School District Number RE-88's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Kim School District Number RE-88's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



November 9, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

This is the Management Discussion and analysis (MD&A) for the Kim School District RE-88. It offers the reader management’s perspective of the financial activities of the school district for the year ended June 30, 2023.

The focus of this discussion is the primary government (general) fund.

The MD&A is an element of reporting put forth by the Government Accounting Standards Board (GASB), in Accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments.

Financial Highlights

In government-wide activities the District’s net position totaled \$10,188,238 at the end of 2023 fiscal Year.

Governmental funds revenue was \$1,804,071; expenditures totaled 1,976,285 with an ending fund balance of \$2,320,754.

Overview of the Financial Statements

The Management’s Discussion & Analysis is presented as an introduction into the Kim School District’s Basic financial information. This information is comprised in the following three components:

- 1) Government-wide financial statements
- 2) Fund Financial Statements
- 3) Supplemental Information

Government-Wide Financial Statements

Government-wide statements provide an overall view of the District’s financial status specific to those activities directly related to the education of our students. The government-wide statements report assets and liabilities. The difference between the assets and liabilities is reported as net assets. The statements of net assets are one way to measure the financial position of the District. Over time, changes in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The district-wide statements are divided into two categories: Governmental activities’ and Business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been “set apart” for specific activities. The fund financial statements provide detailed information about the District’s funds. These statements focus on those specific funds, not the District as a whole. Kim School District RE-88, like other governmental agencies, uses fund accounting to demonstrate and ensure compliance.

Governmental Funds: The District’s basic services are reported in governmental funds. This information is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund accounting may help the reader determine whether there are more or less financial resources that can be spent in the near future. The differences between governmental activities and governmental funds are reconciled in the financial statement’s.

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

Supplemental Information; In addition to the financial statements and accompanying notes the District's Financial audit also contains more detailed financial information and other supplemental information concerning the District's non-major governmental funds.

Financial Analysis of the Governmental Funds: the focus of the District's governmental funds is to provide information on balances of available (spendable) resources. Such information is useful in assessing the Districts financing requirements. In particular, unreserved fund balance may serve as a useful tool in measuring the District's net resources available for spending at the end of the fiscal year. Then combined general fund is the major governmental fund of the Kim School District. The combined general fund under GASB 34 reporting requirements involves the general fund (\$1,925,127) and the Preschool (\$1394). As of June 30, 2023 the combined general fund shows an ending fund balance of (\$1,926,521).

Capital Assets and Debt Administration: The District's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$10,901,496. This is a total capital assets of \$15,379,361 less accumulated depreciation of \$4,477,865.

The District's total net position on June 30, 2023 was \$10,188,238. Of the District's \$13,657,298 in assets, \$10,901,496 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The district currently has a negative unrestricted net position of \$659,287. The district was awarded the Best grant in the amount of \$7,923,336. The grant was matched with a local 20-year bond initiative in the amount of \$2,717,118. This maximizes the bonding capacity of the district. The bond long-term debt on June 30, 2023 was \$1,761,260 current debt \$124,131.

Table 1:

NET POSITION	2023		2022	
	Governmental Activities	Total	Governmental Activities	Total
ASSETS				
Current and Other Assets	2,430,679	2,430,679	2,342,030	2,342,030
Capital Assets - Net	10,901,496	10,901,496	11,311,895	11,311,895
Deferred Outflows	325,123	325,123	242,739	242,739
Total Assets and Flows	<u>13,657,298</u>	<u>13,657,298</u>	<u>13,896,664</u>	<u>13,896,664</u>
LIABILITIES				
Current and Other Liabilities	237,518	237,518	1,194,133	1,194,133
Long Term Liabilities	3,053,991	3,053,991	1,761,260	1,761,260
Deferred Inflows	177,551	177,551	582,745	582,745
Total Liabilities and Flows	<u>3,469,060</u>	<u>3,469,060</u>	<u>3,538,138</u>	<u>3,538,138</u>
NET POSITION				
Net Investment in Capital Assets	9,140,236	9,140,236	9,426,504	9,426,504
Restricted for:				
Tabor Reserve	43,000	43,000	39,000	39,000
Preschool	1,394	1,394	640	640
Food Service	3,089	3,089	7,593	7,593
Debt	341,232	341,232	302,878	302,878
Capital Outlay	-	-	-	-
Unrestricted	<u>659,287</u>	<u>659,287</u>	<u>583,837</u>	<u>583,837</u>
	<u>10,188,238</u>	<u>10,188,238</u>	<u>10,360,452</u>	<u>10,360,452</u>

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

**Table 2:
Changes in Net Position**

	2023		2022	
	Governmental		Governmental	
	Activities	Total	Activities	Total
Revenues				
Charges for Services	66,498	66,498	60,085	60,085
Operating Grants and Contributions	345,905	345,905	291,485	291,485
Capital Grants and Contributions	-	-	-	-
Property taxes	761,131	761,131	726,810	726,810
Specific Ownership Taxes	95,508	95,508	87,617	87,617
Equalization	501,480	501,480	511,198	511,198
Earnings on investments	17,390	17,390	4,507	4,507
Other Revenues	16,159	16,159	16,311	16,311
TOTAL REVENUES	1,804,071	1,804,071	1,698,013	1,698,013
Expenses				
Instructional services	872,723	872,723	797,662	797,662
Students	92,147	92,147	63,383	63,383
Instructional staff	36,253	36,253	27,560	27,560
District administration	220,792	220,792	302,586	302,586
School administration	197,121	197,121	80,954	80,954
Business	23,011	23,011	-	-
Operation and maintenance of facilities	253,935	253,935	201,660	201,660
Transportation	70,626	70,626	80,180	80,180
Central	98,851	98,851	107,510	107,510
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	76,174	76,174	81,786	81,786
Food Service	80,182	80,182	62,998	62,998
Pension and OPEB Changes	(45,530)	(45,530)	(443,719)	(443,719)
TOTAL EXPENSES	1,976,285	1,976,285	1,362,560	1,362,560
Increase (Decrease in Net Position)	(172,214)	(172,214)	335,453	335,453

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

The following table shows the net cost (total cost less revenues generated by activities) of the District’s major functions.

The cost of all governmental activities this year was \$1,976,285

The federal and state governmental subsidized certain programs with grants and contributions of \$345,905.

Most of the District’s costs, however, were financed by Districts and State taxpayers with \$501,480 in state equalization from the school finance act, \$761,131 (including the bond fund) in taxes, \$95,508 in specific ownership taxes, and \$33,549 in investment earnings and other miscellaneous revenue.

The food service program had revenue of \$67,056 (including a transfer of \$44,189 from the General Fund) and expenses of \$65,665.

Table - 3 Governmental Activities by Major Function

	2023		2022	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	872723	(569,987)	797662	(555,060)
Students	92,147	(31,949)	63,383	(12,023)
Instructional staff	36253	(36,253)	27560	(27,560)
District administration	220792	(220,792)	302586	(302,586)
School administration	197,121	(197,121)	80,954	(80,954)
Business	23,011	(23,011)	-	-
Operation and maintenance of facilities	253,935	(247,635)	201,660	(192,935)
Transportation	70,626	(50,324)	80,180	(58,139)
Central	98,851	(98,851)	107,510	(107,510)
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	76,174	(76,174)	81,786	(81,786)
Food Service	80,182	(57,315)	62,998	(36,156)
Pension and OPEB Changes	(45,530)	45,530	(443,719)	443,719
Total	<u>1,976,285</u>	<u>(1,563,882)</u>	<u>1,362,560</u>	<u>(1,010,990)</u>

Financial Analysis of the District’s Funds

General Fund Budgetary Highlights

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

Total revenues in the General Fund were \$106,040 more than the preceding year.

The district must maintain a 3% emergency reserve as part of TABOR Amendment (Taxpayer Bill Of Rights). On June 30, 2023 the District’s TABOR reserve amounted to \$43,000.

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The District’s net investment in capital assets for its governmental activities as of June 30, 2023 Amount to \$10,901,496.

Table 4: Capital Assets (Net of Depreciation)

	Governmental <u>2022-2023</u>	Governmental <u>2021-2022</u>
Land & Sites	10,030	10,030
Buildings & Improvements	10,802,524	11,176,644
Equipment & Vehicles	88,942	125,221
Total Capital Assets	<u>10,901,496</u>	<u>11,311,895</u>

Economic Factors

As a result of the stewardship of the board of Education the District enjoys an above average fund balance. The state general funds has remained relatively consistent and has not declined due the enrollment decreasing. Occasionally, the District enrollment is above the 50-student mark and receives additional funding. The Board of Education and the Administration has governed the district with great care and focus. Maintaining the integrity of the district’s for the long term.

General obligation bonds were issued December 9, 2013 for the purpose of constructing and remodeling District’s facilities. The Series 2013 matching money bonds of \$2,717,119 were used to match \$7,923,336 in State of Colorado BEST program Series 2013 Projected funds. These bonds were issued at an interest rate Of 4.187817%.

CHANGES IN LONG TERM DEBT

	Balance <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2023</u>
2013 General Obligation Matching Bonds	1,885,391	-	124,131	1,761,260
Totals	<u>1,885,391</u>	<u>-</u>	<u>124,131</u>	<u>1,761,260</u>

June 30, 2023

Kim School District RE-88 – Management Discussion and Analysis

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

Monica Giffing
Superintendent of Schools
Kim School District Re-88
425 State Street/ P.O. Box 100
Kim, CO 81049

BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	2,269,026	2,269,026
Accounts Receivable	4,566	4,566
Grants Receivables	126,892	126,892
Property Taxes Receivable	24,300	24,300
Inventories	5,895	5,895
Capital Assets	15,379,361	15,379,361
Accumulated Depreciation	<u>(4,477,865)</u>	<u>(4,477,865)</u>
<u>Total Assets</u>	<u>13,332,175</u>	<u>13,332,175</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	312,969	312,969
Other Post Employment Benefits	<u>12,154</u>	<u>12,154</u>
<u>Total Deferred Outflow of Resources</u>	<u>325,123</u>	<u>325,123</u>
<u>LIABILITIES</u>		
Accounts Payable	12,125	12,125
Accrued Salaries	66,715	66,715
Accrued Interest	5,646	5,646
Compensated Absences	1,118	1,118
Unearned Revenue	22,585	22,585
Net Pension Liability	1,375,201	1,375,201
Net OPEB Liability	46,859	46,859
Debt – Current	129,329	129,329
Debt – Long Term	<u>1,631,931</u>	<u>1,631,931</u>
<u>Total Liabilities</u>	<u>3,291,509</u>	<u>3,291,509</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	155,716	155,716
Other Post Employment Benefits	<u>21,835</u>	<u>21,835</u>
<u>Total Deferred Inflow of Resources</u>	<u>177,551</u>	<u>177,551</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	9,140,236	9,140,236
Restricted for:		
TABOR Reserve	43,000	43,000
Preschool	1,394	1,394
Debt Service	341,232	341,232
Food Service	3,089	3,089
Unrestricted	<u>659,287</u>	<u>659,287</u>
<u>TOTAL NET POSITION</u>	<u>10,188,238</u>	<u>10,188,238</u>

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	Net (Expenses) Revenue and Changes in Net Position				
	Primary Government				Total
	Expenses	Charges for Services	Program Revenues		
		Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	
Instructional Services	872,723	-	302,736	-	(569,987)
Supporting Services:					
Students	92,147	60,198	-	-	(31,949)
Instructional Staff	36,253	-	-	-	(36,253)
District Administration	220,792	-	-	-	(220,792)
School Administration	197,121	-	-	-	(197,121)
Business	23,011	-	-	-	(23,011)
Operation & Maintenance of Facilities	253,935	6,300	-	-	(247,635)
Transportation	70,626	-	20,302	-	(50,324)
Central	98,851	-	-	-	(98,851)
Food Service	80,182	-	22,867	-	(57,315)
Capital Outlay	-	-	-	-	-
Interest and Fees	76,174	-	-	-	(76,174)
Net Pension Activity	(39,564)	-	-	39,564	39,564
Net OPEB Activity	(5,966)	-	-	5,966	5,966
Total Governmental Activities	<u>1,976,285</u>	<u>66,498</u>	<u>345,905</u>	<u>(1,563,882)</u>	<u>(1,563,882)</u>
Total School District	<u>1,976,285</u>	<u>66,498</u>	<u>345,905</u>	<u>(1,563,882)</u>	<u>(1,563,882)</u>
General Revenues					
Property Taxes Levied for General Purposes				761,131	761,131
Specific Ownership Taxes				95,508	95,508
Equalization				501,480	501,480
Earnings on Investments				17,390	17,390
Other Revenues				16,159	16,159
Total General Revenues and Transfers				<u>1,391,668</u>	<u>1,391,668</u>
Change in Net Position				(172,214)	(172,214)
Net Position, Beginning				10,360,452	10,360,452
Net Position, Ending				<u>10,188,238</u>	<u>10,188,238</u>

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

KIM SCHOOL DISTRICT RE-88
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Investments	1,879,684	337,232	52,110	2,269,026
Accounts Receivable	4,566	-	-	4,566
Grants Receivable	126,015	-	877	126,892
Due From Other Funds	-	-	-	-
Property Taxes Receivable	15,700	8,600	-	24,300
Inventories	-	-	5,895	5,895
<u>Total Assets</u>	<u>2,025,965</u>	<u>345,832</u>	<u>58,882</u>	<u>2,430,679</u>
<u>LIABILITIES</u>				
Accounts Payable	10,296	-	1,829	12,125
Accrued Salaries	62,663	-	4,052	66,715
Due To Other Funds	-	-	-	-
Other Payables	-	-	-	-
Unearned Grant Revenue	22,585	-	-	22,585
<u>Total Liabilities</u>	<u>95,544</u>	<u>-</u>	<u>5,881</u>	<u>101,425</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred Property Taxes	3,900	4,600	-	8,500
<u>Total Deferred Inflow of Resources</u>	<u>3,900</u>	<u>4,600</u>	<u>-</u>	<u>8,500</u>
<u>FUND BALANCES</u>				
Nonspendable				
Inventories	-	-	5,895	5,895
Restricted				
Emergencies	43,000	-	-	43,000
Preschool	1,394	-	-	1,394
Capital Outlay	-	-	-	-
Debt Service	-	341,232	-	341,232
Food Service	-	-	3,089	3,089
Assigned				
Student Activities	-	-	44,017	44,017
Unassigned	1,882,127	-	-	1,882,127
<u>Total Fund Balances</u>	<u>1,926,521</u>	<u>341,232</u>	<u>53,001</u>	<u>2,320,754</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>2,025,965</u>	<u>345,832</u>	<u>58,882</u>	<u>2,430,679</u>

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

KIM SCHOOL DISTRICT RE-88
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2023

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

<u>Total Fund Balance – Governmental Funds</u>	2,320,754
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$15,379,361 and the accumulated depreciation is \$4,477,865.	10,901,496
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	8,500
Compensated absences are not reported as a liability in the funds.	(1,118)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,761,260)
Accrued interest on long term debt is not reported in the funds.	(5,646)
The Districts portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(1,375,201)
The Districts portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(46,859)
Deferred pension flows are not reported in the funds.	157,253
Deferred OPEB flows are not reported in the funds.	<u>(9,681)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>10,188,238</u>

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2023

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	540,172	232,309	-	772,481
Specific Ownership Taxes	95,508	-	-	95,508
Earnings on Investments	10,472	6,918	-	17,390
Other Local Sources	34,681	366	60,198	95,245
State Aid	601,549	-	692	602,241
Federal Aid	210,381	-	22,175	232,556
Allocation to Reserves	-	-	-	-
<u>Total Revenues</u>	<u>1,492,763</u>	<u>239,593</u>	<u>83,065</u>	<u>1,815,421</u>
EXPENDITURES				
Current:				
Instructional Services	522,543	-	-	522,543
Supporting Services:				
Students	25,636	-	66,511	92,147
Instructional Staff	36,253	-	-	36,253
District Administration	214,620	-	-	214,620
School Administration	197,121	-	-	197,121
Business	23,011	-	-	23,011
Operation & Maintenance of Facilities	214,768	-	-	214,768
Transportation	70,200	-	-	70,200
Central	98,851	-	-	98,851
Food Service	-	-	65,665	65,665
Facility	-	-	-	-
Debt Service:				
Principal Retirement	-	124,131	-	124,131
Interest and Fiscal Charges	-	77,108	-	77,108
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>1,403,003</u>	<u>201,239</u>	<u>132,176</u>	<u>1,736,418</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>89,760</u>	<u>38,354</u>	<u>(49,111)</u>	<u>79,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers	(44,189)	-	44,189	-
Proceeds From Debt	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(44,189)</u>	<u>-</u>	<u>44,189</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	45,571	38,354	(4,922)	79,003
FUND BALANCES – Beginning				
	<u>1,880,950</u>	<u>302,878</u>	<u>57,923</u>	<u>2,241,751</u>
FUND BALANCES – Ending				
	<u>1,926,521</u>	<u>341,232</u>	<u>53,001</u>	<u>2,320,754</u>

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

KIM SCHOOL DISTRICT RE-88
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2023

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

Net Change in Fund Balances – Total Governmental Funds 79,003

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	14,839	
Capital Outlays More Than \$5,000		
Depreciation Expense	(425,238)	(410,399)

Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred property tax revenues increased this year. (11,350)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. (63)

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

	124,131	
Principal Payment		
Accrued Interest		934

The statement of activities reports net pension obligation which is not reported in the fund financial statements:

	(440,414)	
Change in net pension obligation		
Change in net OPEB obligation		(1,634)
Deferred flows from net pension obligations	479,978	
Deferred flows from net OPEB obligations	<u>7,600</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (172,214)

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

NOTES TO BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kim School District RE-88 (District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Kim School District RE-88. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Bond Fund – used to account for the activities associated with the payment of debt obligations.

E. Cash and Investments

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

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

F. Receivables

Property taxes levied in 2022 but uncollected in 2023 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2023 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

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

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

H. Capital Assets

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long Term Obligations

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

J. Constitutional Amendment

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

On November 4, 1997 the registered voters approved a ballot resolution authorizing Kim School District RE-88 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2023, the District reserved \$43,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property Taxes

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

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

L. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2023, the District has recorded an estimated liability of \$1,118 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Accumulated Sick Leave	<u>1,055</u>	<u>63</u>	<u>-</u>	<u>1,118</u>

M. Use of Estimates

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	General Fund	Bond Fund	Food Service Fund	Pupil Activities	Total Governmental Funds
<u>Nonspendable:</u>					
Inventories	-	-	5,895	-	5,895
<u>Restricted:</u>					
Emergencies	43,000	-	-	-	43,000
Preschool	1,394	-	-	-	1,394
Debt Service	-	341,232	-	-	341,232
Capital Reserve	-	-	-	-	-
Food Service	-	-	3,089	-	3,089
<u>Committed:</u>					
Capital Outlay	-	-	-	-	-
<u>Assigned:</u>					
Student Activities	-	-	-	44,017	44,017
<u>Unassigned:</u>	1,882,127	-	-	-	1,882,127
<u>Total Fund Balances</u>	<u>1,926,521</u>	<u>341,232</u>	<u>8,984</u>	<u>44,017</u>	<u>2,320,754</u>

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. GASB 96

On July 1, 2022 Kim School District Number RE-88 adopted GASB 96, Subscription-based Information Technology Arrangements. The District will comply with GASB 96 on any long term subscription-based information technology arrangements that are individually or aggregately material to the financial statements.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	-	-	44,189
Bond Fund	-	-	-	-
Food Service Fund	-	-	44,189	-

NOTE 3 BUDGETARY INFORMATION

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH AND EQUIVALENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,658,597	1,672,245
Cash with County Treasurer	22,888	-
Cash with Fiscal Agent	337,141	-
Cash on Hand	<u>400</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,269,026</u>	<u>1,922,245</u>

As presented above, deposits with a bank balance of \$1,672,245 and a carrying balance of \$1,658,597 as of June 30, 2023 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	10,030	-	-	-	10,030
<u>Capital Assets Being Depreciated:</u>					
Buildings & Site Improvements	14,345,992	-	17,500	-	14,328,492
Equipment & Vehicles	1,035,120	14,839	9,120	-	1,040,839
Construction in Progress	-	-	-	-	-
<u>Total Capital Assets Being Depreciated</u>	<u>15,381,112</u>	<u>14,839</u>	<u>26,620</u>	<u>-</u>	<u>15,369,331</u>
<u>Less Accumulated Depreciation:</u>					
Buildings & Site Improvements	3,169,348	374,120	17,500	-	3,525,968
Equipment & Vehicles	909,899	51,118	9,120	-	951,897
<u>Total Accumulated Depreciation</u>	<u>4,079,247</u>	<u>425,238</u>	<u>26,620</u>	<u>-</u>	<u>4,477,865</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>11,301,865</u>	<u>(410,399)</u>	<u>-</u>	<u>-</u>	<u>10,891,466</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>11,311,895</u>	<u>(410,399)</u>	<u>-</u>	<u>-</u>	<u>10,901,496</u>

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

Governmental Activities:

Instruction	350,117
Student Support	-
Instructional Support	-
General Administration Support	6,172
School Administration Support	-
Business Services Support	-
Operations and Maintenance	39,167
Transportation	15,265
Food Service	<u>14,517</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>425,238</u>

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Kim School District RE-88 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Kim School District RE-88 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 **PENSION PLAN (Continued)**

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

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

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

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

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

Contributions provisions as of June 30, 2023: Eligible employees of, Kim School District RE-88 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below.

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Kim School District RE-88 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Kim School District RE-88 were \$125,753 for the year ended June 30, 2023.

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

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Kim School District RE-88 proportion of the net pension liability was based on Kim School District RE-88 contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the Kim School District RE-88 reported a liability of \$1,375,201 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 Kim School District RE-88 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 Kim School District RE-88 were as follows:

Kim School District RE-88 proportionate share of the net pension liability	\$ 1,375,201
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Kim School District RE-88	\$ 400,748
Total	\$ 1,775,949

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

At December 31, 2022, the Kim School District RE-88 proportion was 0.008%, which was a decrease of 0.0005% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Kim School District RE-88 recognized pension income of \$39,564 and revenue of \$34,173 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Kim School District RE-88 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	13,015	-
Changes of assumptions or other inputs	24,359	-
Net difference between projected and actual earnings on pension plan investments	184,740	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	25,879	(155,716)
Contributions subsequent to the measurement date	64,976	N/A
Total	312,969	(155,716)

\$64,976 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2023	
2024	(58,297)
2025	(17,234)
2026	60,354
2027	107,454
2028	-
Thereafter	-

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 PENSION PLAN (Continued)

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the Kim School District RE-88 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	1,799,666	1,375,201	1,020,730

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

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description – Employees of the Kim School District RE-88 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$2,595.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Kim School District RE-88 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Kim School District RE-88 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Kim School District RE-88 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Kim School District RE-88 were \$6,294 for the year ended June 30, 2023.

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

At June 30, 2023, the Kim School District RE-88 reported a liability of \$46,859 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Kim School District RE-88 proportion of the net OPEB liability was based on Kim School District RE-88 contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Kim School District RE-88 proportion was 0.006%, which was an increase of 0.0005% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Kim School District RE-88 recognized OPEB income of \$5,966. At June 30, 2023, the Kim School District RE-88 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6	(11,332)
Changes of assumptions or other inputs	753	(5,172)
Net difference between projected and actual earnings on OPEB plan investments	2,862	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,281	(5,331)
Contributions subsequent to the measurement date	3,252	N/A
Total	\$ 12,154	\$ (21,835)

\$3,252 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2023	
2024	(5,134)
2025	(5,306)
2026	(2,153)
2027	107
2028	(388)
Thereafter	(59)

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

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

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

Sensitivity of the Kim School District RE-88 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:

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate*	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$45,532	\$46,859	\$48,302

*For the January 1, 2023, plan year.

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

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

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

Sensitivity of the Kim School District RE-88 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	\$54,323	\$46,859	\$40,474

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 RISK MANAGEMENT

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

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

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the General Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2023.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

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

NOTE 10 FOOD INVENTORIES

Food Service Fund inventories at June 30, 2023, consisted of purchased, non-food and donated commodities amounting to \$5,895. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2023 are estimated to be \$66,715. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12 LITIGATION

None.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

NOTE 14 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District.

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2023. The joint venture summary audited financial information as of June 30, 2022 is as follows:

Assets and Deferred Outflows	2,813,775
Liabilities and Deferred Inflows	<u>4,742,080</u>
Net Position	<u>(1,928,305)</u>
Revenues	3,533,618
Expenditures	<u>(3,090,460)</u>
Change In Net Position	<u>443,158</u>

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

NOTE 15 INTERFUND BALANCES AND TRANSFERS

<u>INTERFUND BALANCES</u>	<u>Due To</u>	<u>Due From</u>
Major Funds	-	-
Nonmajor Funds	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	44,189
Food Service Fund	<u>44,189</u>	<u>-</u>
	<u>44,189</u>	<u>44,189</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations. Due To and Due From are to be repaid within three months of year end.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2023

NOTE 16 LONG-TERM DEBT – GENERAL OBLIGATION BONDS

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Current</u> <u>Portion</u>
G.O. Matching Money Bonds 2013	<u>1,885,391</u>	<u>-</u>	<u>124,131</u>	<u>1,761,260</u>	<u>129,329</u>

Series 2013 General Obligation Matching Money Bonds

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$2,717,118 were used to match \$7,923,336 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%.

Below is a schedule of debt service to maturity:

<u>Year Ended</u> <u>6-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	129,329	71,050	200,379
2025	134,746	65,521	200,267
2026	140,388	59,760	200,148
2027	146,268	53,757	200,025
2028	152,393	47,504	199,897
2029-2033	863,211	134,154	997,365
2034	<u>194,925</u>	<u>4,082</u>	<u>199,007</u>
	<u>1,761,260</u>	<u>435,828</u>	<u>2,197,088</u>

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Pension and Other Post Employment Benefits Trend Data

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	450,000	450,000	540,172	90,172
Specific Ownership Taxes	78,000	78,000	95,508	17,508
Earnings on Investments	5,200	5,200	10,472	5,272
Delinquent Taxes and Interest	1,000	1,000	777	(223)
Other	35,236	35,236	33,904	(1,332)
<u>State Sources</u>				
Equalization	501,482	501,482	501,480	(2)
Transportation	19,527	19,527	20,302	775
Vocational Education	13,378	13,378	13,379	1
Other	30,085	30,085	54,508	24,423
<u>Federal Sources</u>				
Other	<u>225,486</u>	<u>225,486</u>	<u>222,261</u>	<u>(3,225)</u>
<u>TOTAL REVENUES</u>	<u>1,359,394</u>	<u>1,359,394</u>	<u>1,492,763</u>	<u>133,369</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	349,258	349,258	320,189	29,069
Employees Benefits	101,334	101,334	114,782	(13,448)
Purchased Services-Professional	500	500	2,930	(2,430)
Purchased Services-Other	42,432	42,432	35,491	6,941
Supplies and Materials	1,365	1,365	26,704	(25,339)
Other Objects	<u>20,100</u>	<u>20,100</u>	<u>22,447</u>	<u>(2,347)</u>
<u>Total Instruction</u>	<u>514,989</u>	<u>514,989</u>	<u>522,543</u>	<u>(7,554)</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	-	-	20,750	(20,750)
Employees Benefits	38,665	38,665	4,886	33,779
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	-	-	-	-
Purchased Services-Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Student Supporting Services</u>	<u>38,665</u>	<u>38,665</u>	<u>25,636</u>	<u>13,029</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>SUPPORTING SERVICES (continued)</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Instructional Staff</u>				
Salaries	4,484	4,484	23,448	(18,964)
Employee Benefits	1,025	1,025	7,908	(6,883)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	4,700	4,700	4,897	(197)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>10,209</u>	<u>10,209</u>	<u>36,253</u>	<u>(26,044)</u>
<u>General Administration</u>				
Salaries	179,955	179,955	105,789	74,166
Employee Benefits	46,480	46,480	38,101	8,379
Purchased Services-Professional	44,400	44,400	52,362	(7,962)
Purchased Services-Property	-	-	-	-
Purchased Services-Other	2,800	2,800	989	1,811
Supplies and Materials	5,000	5,000	10,121	(5,121)
Property	-	-	-	-
Other Objects	(31,493)	(31,493)	7,258	(38,751)
<u>Total General Administration</u>	<u>247,142</u>	<u>247,142</u>	<u>214,620</u>	<u>32,522</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	-	-	57,750	(57,750)
Employee Benefits	-	-	16,155	(16,155)
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	-	-	-	-
Purchased Services-Other	-	-	-	-
Supplies and Materials	130,708	130,708	123,216	7,492
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>130,708</u>	<u>130,708</u>	<u>197,121</u>	<u>(66,413)</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (continued)</u>				
<u>Business Service</u>				
Salaries	-	-	21,008	(21,008)
Employees Benefits	-	-	2,003	(2,003)
<u>Total Operations and Maintenance</u>	-	-	<u>23,011</u>	<u>(23,011)</u>
<u>Operations and Maintenance</u>				
Salaries	50,500	50,500	56,372	(5,872)
Employees Benefits	15,139	15,139	17,480	(2,341)
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	35,200	35,200	58,422	(23,222)
Purchased Services-Other	6,000	6,000	9,113	(3,113)
Supplies and Materials	87,000	87,000	70,609	16,391
Property	-	-	2,772	(2,772)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>193,839</u>	<u>193,839</u>	<u>214,768</u>	<u>(20,929)</u>
<u>Student Transportation</u>				
Salaries	22,500	22,500	17,759	4,741
Employee Benefits	7,600	7,600	7,317	283
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	-	-	-	-
Purchased Services-Other	11,500	11,500	13,283	(1,783)
Supplies and Materials	34,000	34,000	31,441	2,559
Property	-	-	-	-
Other Objects	(19,563)	(19,563)	400	(19,963)
<u>Total Student Transportation</u>	<u>56,037</u>	<u>56,037</u>	<u>70,200</u>	<u>(14,163)</u>
<u>Central Support</u>				
Purchased Services-Other	97,135	97,135	98,286	(1,151)
Other Objects	-	-	565	(565)
<u>Total Central Support</u>	<u>97,135</u>	<u>97,135</u>	<u>98,851</u>	<u>(1,716)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>773,735</u>	<u>773,735</u>	<u>880,460</u>	<u>(106,725)</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

<u>APPROPRIATED RESERVES</u>	<u>1,912,980</u>	<u>1,912,980</u>	<u> -</u>	<u>1,912,980</u>
<u>TOTAL EXPENDITURES</u>	<u>3,201,704</u>	<u>3,201,704</u>	<u>1,403,003</u>	<u>1,798,701</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(1,842,310)	(1,842,310)	89,760	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(38,000)</u>	<u>(38,000)</u>	<u>(44,189)</u>	<u>(6,189)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,880,310)	(1,880,310)	45,571	
<u>FUND BALANCE, July 1</u>	<u> -</u>	<u> -</u>	<u>1,880,950</u>	
<u>FUND BALANCE, June 30</u>	<u>(1,880,310)</u>	<u>(1,880,310)</u>	<u>1,926,521</u>	

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

KIM SCHOOL DISTRICT RE-88
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.008%	0.008%	0.0095%	0.0087%	0.0094%	0.0103%	0.0105%	0.0102%	0.0107%	0.0106%
District's proportionate share of the net pension liability (asset)	\$1,375,201	\$934,787	\$1,430,370	\$1,304,649	\$1,663,539	\$3,345,761	\$3,130,930	\$1,561,381	\$1,454,664	\$1,358,164
State's proportionate share of the net pension liability associated with the District**	\$400,748	\$107,161	-	\$165,478	\$227,466	-	-	-	-	-
District's covered payroll	\$617,041	\$517,089	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	\$455,545	\$450,519	\$424,049
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223%	181%	277%	259%	315%	665%	670%	343%	323%	320%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%

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

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

KIM SCHOOL DISTRICT RE-88
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 125,753	\$ 102,797	\$ 102,823	\$ 97,626	\$ 101,049	\$ 95,082	\$ 85,828	\$ 80,837	\$ 76,052	\$ 74,813
Contributions in relation to the contractually required contributions	<u>\$ (125,753)</u>	<u>\$ (102,797)</u>	<u>\$ (102,823)</u>	<u>\$ (97,626)</u>	<u>\$ (101,049)</u>	<u>\$ (95,082)</u>	<u>\$ (85,828)</u>	<u>\$ (80,837)</u>	<u>\$ (76,052)</u>	<u>\$ (74,813)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$617,041	\$517,089	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	\$455,545	\$450,519	\$424,049
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%	18.89%	18.38%	17.74%	16.88%	17.64%

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

KIM SCHOOL DISTRICT RE-88
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net OPEB liability (asset)	0.0057%	0.0052%	0.0055%	0.0057%	0.0061%	0.0058%	0.0059%	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$46,859	\$45,225	\$52,008	\$64,174	\$83,084	\$76,403	\$77,497	-	-	-
District's covered payroll	\$617,041	\$517,089	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.59%	8.75%	10.05%	12.74%	15.73%	15.18%	16.59%	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-

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

KIM SCHOOL DISTRICT RE-88
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 6,294	\$ 5,274	\$ 5,276	\$ 5,138	\$ 5,388	\$ 5,135	\$ 4,764	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (6,294)</u>	<u>\$ (5,274)</u>	<u>\$ (5,276)</u>	<u>\$ (5,138)</u>	<u>\$ (5,388)</u>	<u>\$ (5,135)</u>	<u>\$ (4,764)</u>	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
District's covered payroll	\$617,041	\$517,089	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Bond Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Food Service Fund

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

Pupil Activity Fund

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

KIM SCHOOL DISTRICT RE-88
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2023

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	6,294	45,846	52,110
Accounts Receivable	-	-	-
Grants Receivable	877	-	877
Property Taxes Receivable	-	-	-
Inventories	<u>5,895</u>	<u>-</u>	<u>5,895</u>
<u>Total Assets</u>	<u>13,036</u>	<u>45,846</u>	<u>58,882</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	-	1,829	1,829
Accrued Salaries	4,052	-	4,052
Due To Other Funds	-	-	-
Other Payables	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>4,052</u>	<u>1,829</u>	<u>5,881</u>
 <u>Deferred Inflow of Resources</u>			
Deferred Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund Balances</u>			
Nonspendable:			
Inventories	5,895	-	5,895
Restricted:			
Food Service	3,089	-	3,089
Assigned:			
Pupil Activities	-	44,017	44,017
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>8,984</u>	<u>44,017</u>	<u>53,001</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>			
	<u>13,036</u>	<u>45,846</u>	<u>58,882</u>

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

KIM SCHOOL DISTRICT RE-88
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2023

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	-	-	-
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	-	-
Other Local Sources	-	60,198	60,198
State Aid	692	-	692
Federal Aid	22,175	-	22,175
<u>Total Revenues</u>	<u>22,867</u>	<u>60,198</u>	<u>83,065</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	66,511	66,511
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation and Maintenance of Facilities	-	-	-
Transportation	-	-	-
Central	-	-	-
Food Service	65,665	-	65,665
<u>Total Expenditures</u>	<u>65,665</u>	<u>66,511</u>	<u>132,176</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(42,798)</u>	<u>(6,313)</u>	<u>(49,111)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	44,189	-	44,189
<u>Total Other Financing Sources (Uses)</u>	<u>44,189</u>	<u>-</u>	<u>44,189</u>
<u>NET CHANGE IN FUND BALANCES</u>	1,391	(6,313)	(4,922)
<u>FUND BALANCE, Beginning</u>	<u>7,593</u>	<u>50,330</u>	<u>57,923</u>
<u>FUND BALANCE, Ending</u>	<u>8,984</u>	<u>44,017</u>	<u>53,001</u>

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

KIM SCHOOL DISTRICT RE-88
 BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	207,584	232,309	24,725
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	6,918	6,918
Other Local Sources	-	366	366
<u>Total Revenues</u>	<u>207,584</u>	<u>239,593</u>	<u>32,009</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal Retirement	-	124,131	(124,131)
Interest and Fiscal Charges	199,750	77,108	122,642
Other	-	-	-
Contingency	<u>7,834</u>	<u>-</u>	<u>7,834</u>
<u>Total Expenditures</u>	<u>207,584</u>	<u>201,239</u>	<u>6,345</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 -	 38,354	
 <u>FUND BALANCE, July 1</u>	 <u>-</u>	 <u>302,878</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>341,232</u>	

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

KIM SCHOOL DISTRICT RE-88
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>OPERATING REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	-	-
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	226	692	466
<u>Federal Sources</u>			
School Lunches	27,405	22,175	(5,230)
Commodities	-	-	-
<u>Total Operating Revenues</u>	<u>27,631</u>	<u>22,867</u>	<u>(4,764)</u>
<u>OPERATING EXPENDITURES</u>			
Salaries	27,685	26,424	1,261
Employee Benefits	6,188	6,102	86
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services - Other	-	-	-
Supplies and Materials	25,609	32,511	(6,902)
Capital Outlay	-	-	-
Other	10,905	628	10,277
Commodities	-	-	-
<u>Total Expenditures</u>	<u>70,387</u>	<u>65,665</u>	<u>4,722</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(42,756)	(42,798)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers from General Fund	<u>38,000</u>	<u>44,189</u>	<u>6,189</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(4,756)	1,391	
<u>FUND BALANCE, July 1</u>	<u>4,756</u>	<u>7,593</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>8,984</u>	

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

KIM SCHOOL DISTRICT RE-88
PUPIL ACTIVITY – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>OPERATING REVENUES</u>			
Local Sources	73,000	60,198	(12,802)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Operating Revenues</u>	<u>73,000</u>	<u>60,198</u>	<u>(12,802)</u>
 <u>OPERATING EXPENDITURES</u>			
Supporting Services:			
Purchased Services-Other	-	21,780	(21,780)
Supplies and Materials	70,000	44,731	25,269
Other	<u>3,000</u>	-	<u>3,000</u>
<u>Total Operating Expenditures</u>	<u>73,000</u>	<u>66,511</u>	<u>6,489</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	(6,313)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	-	-	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>		(6,313)	
 <u>FUND BALANCE, July 1</u>	-	<u>50,330</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>44,017</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District 1760 - Kim Reorganized 88
 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	1,880,310		1,409,596	1,365,173		1,925,127
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	639		38,578	37,823		1,394
Sub-Total	1,880,950		1,448,174	1,403,002		1,926,521
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	7,593		67,056	65,665		8,984
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	50,331		50,198	66,511		44,017
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	302,878		239,593	201,239		341,232
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	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	2,241,752		1,815,420	1,735,417		2,320,754
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
75 GASB 34-Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0

FINAL



Colorado Department of Education
Balanced Budget Report
 District: 1760 - Kim Reorganized 88
 Fiscal Year 2022-23
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10.12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104, 8111)	1,851,352	0	5,535	45,846	0	0	6,264	0	0	0	0	0	0	0	1,908,997
Cash with Fiscal Agent (8105)	22,797	0	0	0	0	0	0	337,232	0	0	0	0	0	0	360,029
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121, 8122)	15,700	0	0	0	0	0	0	8,600	0	0	0	0	0	0	24,300
Interfund Loans Receivable (8131, 8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	126,015	0	0	0	0	0	877	0	0	0	0	0	0	0	126,892
Other Receivables (8151-8154, 8161)	4,566	0	0	0	0	0	0	0	0	0	0	0	0	0	4,566
Inventories (8171, 8172, 8173)	0	0	0	0	0	0	5,895	0	0	0	0	0	0	0	5,895
Machinery and Equipment (8241, 8242, 8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,070,430	0	5,535	45,846	0	0	13,036	345,832	0	0	0	0	0	0	2,430,679

	Governmental					Proprietary					Fiduciary				
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	10,042	0	0	1,829	0	0	0	0	0	0	0	0	0	0	11,871
Accrued Expenses (7461)	58,522	0	4,141	0	0	0	4,052	0	0	0	0	0	0	0	66,715
Payroll Ded. and Withholdings (7471-7473)	254	0	0	0	0	0	0	0	0	0	0	0	0	0	254
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	22,585	0	0	0	0	0	0	0	0	0	0	0	0	0	22,585
Deferred Inflow (7800)	3,900	0	0	0	0	0	0	4,600	0	0	0	0	0	0	8,500
Total Liabilities	95,303	0	4,141	1,829	0	0	4,052	4,600	0	0	0	0	0	0	109,925

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental										Proprietary										Fiduciary									
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 80, 85	Foundations Fund 85	Totals														
Non-spendable Fund Balance 6710	0	0	0	0	0	0	5,895	0	0	0	0	0	0	0	0	5,895														
Restricted Fund Balance 6720	0	0	0	0	0	0	3,089	341,232	0	0	0	0	0	0	0	344,321														
TABOR 3% Emergency Reserve 6721	43,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,000														
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Colorado Preschool Program (CPP) Reserve 6724	0	0	1,394	0	0	0	0	0	0	0	0	0	0	0	0	1,394														
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Assigned Fund Balance 6760	0	0	0	44,017	0	0	0	0	0	0	0	0	0	0	0	44,017														
Unassigned Fund Balance 6770	1,882,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,882,127														
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0														
Total Fund Equity	1,925,127	0	1,394	44,017	0	0	8,984	341,232	0	0	0	0	0	0	0	2,310,754														

Total Liabilities & Fund Equity : 2,020,430										Total Liabilities & Fund Equity : 2,430,679									
General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 80, 85	Foundations Fund 85	Totals				
0	0	5,535	45,846	0	0	13,036	345,832	0	0	0	0	0	0	0	2,430,679				

For Each Fund Type:										Do Assets=Liability+Fund Equity									
General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 80, 85	Foundations Fund 85	Totals				
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes				

12/12/23

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