

**Steamboat Springs School District RE-2  
Steamboat Springs, Colorado**

**Financial Report  
June 30, 2023**



**STEAMBOAT SPRINGS  
SCHOOL DISTRICT**

**Steamboat Springs School District RE-2**  
**June 30, 2023**

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**June 30, 2023**

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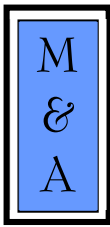
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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Education  
Steamboat Springs School District  
Steamboat Springs, Colorado**

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Steamboat Springs School District RE-2, Colorado (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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**INDEPENDENT AUDITOR'S REPORT  
To the Board of Education  
Steamboat Springs School District**

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

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

***Required Supplementary Information***

U.S. GAAP require Management's Discussion and Analysis in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, 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 section B in accordance with U.S. GAAS, 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.

**INDEPENDENT AUDITOR'S REPORT  
To the Board of Education  
Steamboat Springs School District**

***Required Supplementary Information (continued)***

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents 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. Such 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 U.S. GAAS. In our opinion, the combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

  
**McMahan and Associates, L.L.C.**  
Avon, Colorado  
December 14, 2023

Steamboat Springs School District RE-2

Management's Discussion and Analysis



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

## Steamboat Springs School District RE-2

### Management Discussion and Analysis

As management of Steamboat Springs School District RE-2, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

### Financial Highlights

- The assets of the District exceeded its liabilities as of June 30, 2023, by (net position) by \$21,744,125. This represents all the District's assets less its liabilities at year end.
- The District's had a change in net position of approximately \$11,753,118. This change primarily occurred from making payments on bonded debt, adding capital assets at a pace faster than depreciation and changes in the District's proportionate share of PERA's unfunded liability.
- The District's General Fund had a fund balance of approximately \$10,062,000, or 23% of total General Fund Expenditures.
- The District paid down \$4,950,000 of long-term debt obligations which were issued to complete new projects at the District's schools.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the District.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event effecting the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and changes in long-term compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services, food services and student activities. Such services included activities relating to building maintenance, technology and administration.

The district-wide financial statements also include North Routt Charter School, which is a discretely presented component unit of the District.

The district-wide financial statements can be found on pages C1 and C2 of this report.

## **Fund Financial Statements**

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes. Our District uses fund accounting to ensure and demonstrate compliance with financial and government fund and proprietary funds.

### **Government Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District's most significant, or "major" governmental funds include the General Fund, Debt Service Fund, Building Fund and Supplemental Capital Projects Fund.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The basic major governmental fund statements start on page C3.

### **Proprietary Funds**

Proprietary funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses an enterprise fund to account for its employee health and dental benefits. Internal service funds are an accounting device used to accumulate and allocate costs internally to the District's various functions. Because the service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide financial reports for the District's health services fund which is considered to be a major fund of the District.

The basic Proprietary Fund financial statements can be found on pages C7 thru C9, of this report.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

An annual review of net position may serve as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$21,744,125. In the previous year of 2022, the liabilities exceeded assets by \$9,991,007.

The assets of the District are classified as current assets, non-current assets, and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax receivables and cash and investments.

Capital assets are made up of land, buildings, equipment/vehicles, and construction in progress. Current and long-term liabilities are classified based upon anticipated liquidation, either in the near-term or in the future.

### Statement of Net Position

The following table provides a summary of the District's net position as of the fiscal years ended June 30, 2023 and 2022.

	Governmental Activities	
	FY 2023	FY 2022
Assets:		
Current and other assets	\$ 32,641,576	\$ 39,975,717
Capital assets	157,138,572	147,964,480
Total Assets	\$ 189,780,148	\$ 187,940,197
Deferred Outflows	\$ 12,344,245	\$ 7,930,577
Liabilities:		
Other liabilities	\$ 12,931,116	\$ 16,409,784
Long-term liabilities	164,530,468	154,540,789
Total Liabilities	\$ 177,461,584	\$ 170,950,573
Deferred Inflows	\$ 2,918,684	\$ 14,929,194
Net Position		
Net investment in capital assets	\$ 42,659,013	\$ 35,285,322
Restricted	9,853,247	8,506,892
Unrestricted	(30,768,135)	(33,801,207)
Total Net Position	\$ 21,744,125	\$ 9,991,007

Of the District's total assets, 83% are capital assets (e.g. land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students.

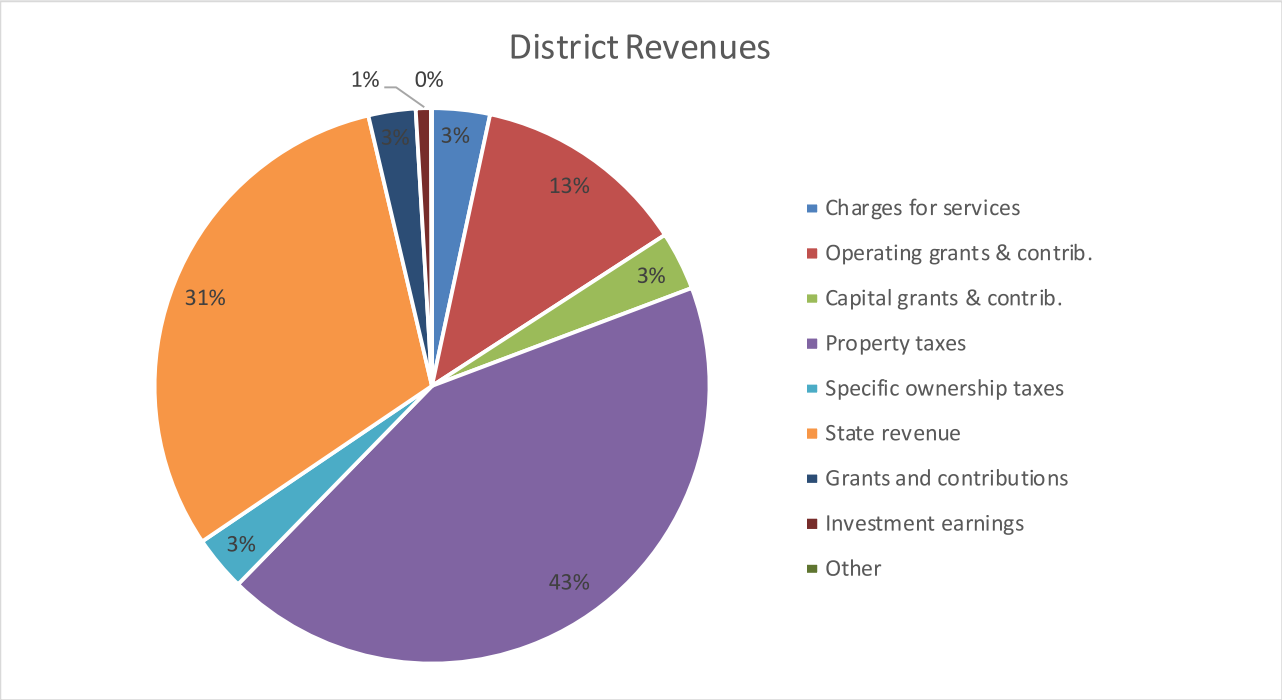
## Statement of Activities

Net position for governmental activities increased by \$11,753,118. The following table summarizes the District's change in net position:

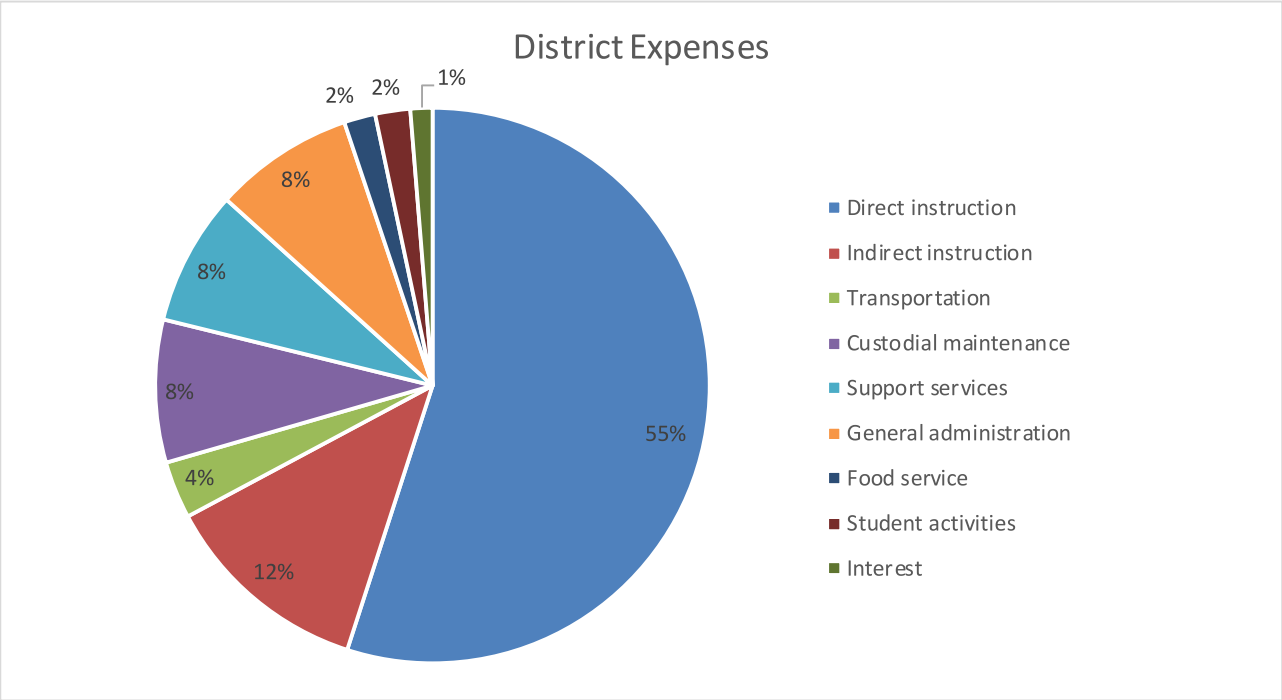
	Governmental Activities	
	FY 2023	FY 2022
Revenues:		
Program revenues		
Charges for services	\$ 2,093,472	\$ 1,954,014
Operating grants and contributions	7,774,927	6,953,710
Capital grants and contributions	2,136,854	471,277
General revenues		
Property taxes	26,811,117	27,006,450
Specific ownership taxes	1,988,417	1,815,505
State revenue	19,164,320	12,051,018
Grants and contributions	1,719,238	1,353,319
Investment earnings	544,790	75,669
Other	37,994	97,804
Total revenues	<u>62,271,129</u>	<u>51,778,766</u>
Expenses:		
Direct instruction	27,773,905	14,896,603
Indirect instruction	6,177,551	1,858,208
Transportation	1,679,725	1,607,524
Custodial maintenance	4,194,640	2,410,760
Support services	3,963,854	2,348,142
General administration	4,126,422	1,557,709
Food service	921,845	576,595
Student activities	1,034,457	937,450
Interest	645,612	3,336,399
Total expenses	<u>50,518,011</u>	<u>29,529,390</u>
Change in net position	11,753,118	22,249,376
Net position - beginning	9,991,007	(12,258,369)
Net position - ending	<u>\$ 21,744,125</u>	<u>\$ 9,991,007</u>

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remaining revenue comes from grants and contributions with the remainder from fees charged for services and miscellaneous sources. The District's revenue increased partially due to the increase in various grant revenue received from federal and state grants. Expenditures changed significantly due to the 2022 fiscal year expenses having an adjustment of \$15,001,232 relating to amortized changes in the District's proportional share of PERA's net pension obligation. This adjustment is allocated across all programs that contain payroll. Interest changed significantly due to a change in allocating bond premiums and discounts from the straight line method to the bonds outstanding method.

The following chart displays the revenues by source for the total District:



The following chart displays the expenses by program for the total District:



The District's expenses are predominately related to instruction, with the general administrative and support services, transportation, operations and maintenance, and interest on bond payments accounting for the remaining expenditures.

**Financial Analysis of the District's Funds:** As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The District's General Fund had \$8,405,430 of unassigned fund balance at the end of the fiscal year.

**General Fund Budgetary Highlights:** The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The original budget is prepared based on a conservative estimate of student growth. This guarantees the District does not overstaff or overextend its financial capabilities. The General Fund's had the following significant budget variances:

	Final Budget	Actual Amounts	Positive (Negative)	Reason
<b>Revenues:</b>				
State sources	18,313,442	19,164,320	850,878	Additional PERA Funding
<b>Expenditures:</b>				
Direct instruction	24,798,679	24,163,511	635,168	3%, accumulation of multiple accounts
Indirect instruction	6,406,676	5,999,005	407,671	multiple accounts below budget
Custodial and maintenance	3,708,394	4,077,953	(369,559)	utilities and snow plowing

**Capital Assets and Debt Administration:** The District's investment in capital assets for included a new P-k school Sleeping Giant. Capital assets include land, buildings, equipment, and vehicles.

**Long Term Debt:** As of June 30, 2023 the District had outstanding long-term debt obligations of \$97,020,000.

**Economic Factors and Next Year's Budget:** The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school District based upon a formula that takes into consideration the cost of living, number of students, District size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

Total Program Funding = local property taxes + general specific ownership taxes + state equalization.

School District finance is also significantly affected by Amendment 23, which was approved by the voters in November 2000. This state constitutional amendment requires that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window has expired, the state must increase funding at the rate of inflation. This funding calculation attempts to align Colorado Districts to inflation adjusted funding levels of 1988. The formula will also increase the District's reliance upon the state and decrease the District's reliance upon funding over time.

**Next Year's Budget and Fund Balance:** The District's General Fund balance at the end of fiscal year was \$10,061,747. The subsequent year's general fund budget for fiscal year 2024 anticipates an increase of \$664,685.

**Request for Information:**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Business Office, Steamboat Springs School District RE-2, 325 Seventh St, Steamboat Springs, Colorado 80487.

Steamboat Springs School District RE-2

District-Wide Financial Statements



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>North Routt Community Charter School</b>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and investments	\$ 27,985,018	\$ 713,023
Accounts receivable	2,766,340	44,125
Taxes receivable	1,283,505	-
Due from other governments	440,021	36,178
Prepaid expenses	165,789	-
Inventory	903	-
<b>Total Current Assets</b>	<b>32,641,576</b>	<b>793,326</b>
<b>Capital Assets:</b>		
Land	2,266,940	-
Construction in progress	33,438,417	196,460
Buildings	158,313,589	4,464,597
Equipment and vehicles	7,340,913	187,891
Less accumulated depreciation	(44,221,287)	(1,098,935)
<b>Total Capital Assets</b>	<b>157,138,572</b>	<b>3,750,013</b>
<b>Total Assets</b>	<b>189,780,148</b>	<b>4,543,339</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunded debt	384,842	-
Related to pension expenses	11,403,785	661,342
Related to other post-employment expenses	555,618	27,346
<b>Total Deferred Outflows of Resources</b>	<b>12,344,245</b>	<b>688,688</b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts, retainage and deposits payable	2,349,335	50,640
Accrued compensation	5,040,108	178,405
Accrued interest	365,773	-
Unearned revenue	230,900	38,908
Bonded debt payable - due within one year	4,945,000	-
<b>Total Current Liabilities</b>	<b>12,931,116</b>	<b>267,953</b>
<b>Noncurrent Liabilities:</b>		
Bonded debt payable - due in more than one year	109,919,401	-
Compensated absences and early retirement - due in more than one year	1,059,955	-
Net pension and OPEB liability:		
Due in more than one year - pension	51,787,904	2,319,715
Due in more than one year - OPEB	1,763,208	78,979
<b>Total Noncurrent Liabilities</b>	<b>164,530,468</b>	<b>2,398,694</b>
<b>Total Liabilities</b>	<b>177,461,584</b>	<b>2,666,647</b>
<b>Deferred Inflows of Resources:</b>		
Related to pension expenses	2,296,106	163,279
Related to other post-employment expenses	622,578	1,831,165
<b>Total Deferred Inflows of Resources</b>	<b>2,918,684</b>	<b>1,994,444</b>
<b>Net Position:</b>		
Net investment in capital assets	42,659,013	3,750,013
Restricted for:		
TABOR emergencies	1,490,528	56,743
Debt service	7,364,964	-
Other purposes	997,755	102,016
Unrestricted	(30,768,135)	(3,337,836)
<b>Total Net Position</b>	<b>\$ 21,744,125</b>	<b>\$ 570,936</b>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	North Routt Community Charter School
Governmental Activities:						
Direct instruction	\$ 27,773,905	\$ 521,531	\$ 7,450,601	\$ 2,136,854	\$ (17,664,919)	
Indirect instruction	6,177,551	-	-	-	(6,177,551)	
Transportation	1,679,725	-	-	-	(1,679,725)	
Custodial and maintenance	4,194,640	-	-	-	(4,194,640)	
Support services	3,963,854	-	-	-	(3,963,854)	
General administration	4,126,422	-	-	-	(4,126,422)	
Food service	921,845	583,606	324,326	-	(13,913)	
Student activities	1,034,457	988,335	-	-	(46,122)	
Interest on long-term debt	645,612	-	-	-	(645,612)	
Total governmental activities	50,518,011	2,093,472	7,774,927	2,136,854	(38,512,758)	
Total primary government	50,518,011	2,093,472	7,774,927	2,136,854	(38,512,758)	
Component Units:						
North Routt Community Charter School	3,852,605	320,896	541,957	36,223		\$ (2,953,529)
Total component units	3,852,605	320,896	541,957	36,223		(2,953,529)
<b>General Revenues:</b>						
Property taxes levied for general purposes					17,347,295	1,003,417
Property taxes levied for debt service					9,463,822	-
Specific ownership taxes					1,988,417	-
State revenue					19,164,320	-
Grants and contributions not restricted to specific programs					1,719,238	115,817
Gain on asset disposition					37,994	-
Interest and investment earnings					544,790	10,933
<b>Total General Revenues</b>					50,265,876	1,130,167
<b>Change in net position</b>					11,753,118	(1,823,362)
<b>Net position - beginning</b>					9,991,007	2,394,298
<b>Net position - ending</b>					\$ 21,744,125	\$ 570,936

The accompanying notes are an integral part of this statement.

Steamboat Springs School District RE-2

Fund Financial Statements



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Debt Service Fund	Building Fund	Supplemental Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 11,847,446	\$ 7,117,046	\$ 2,086,768	\$ 3,500,618	\$ 1,473,384	\$ 26,025,262
Accounts receivable	1,896,194	-	-	-	782,393	2,678,587
Taxes receivable	617,584	247,918	-	32,566	-	898,068
Due from other governments	440,021	-	-	-	-	440,021
Due from other funds	698,856	-	-	-	-	698,856
Inventories and prepaid expenses	165,789	-	-	-	903	166,692
<b>Total Assets</b>	<u>15,665,890</u>	<u>7,364,964</u>	<u>2,086,768</u>	<u>3,533,184</u>	<u>2,256,680</u>	<u>30,907,486</u>
<b>Liabilities:</b>						
Accounts, retainage and deposits payable	464,300	-	1,089,013	147,198	23,232	1,723,743
Accrued compensation	4,966,074	-	-	-	74,035	5,040,109
Due to other funds	-	-	-	-	698,856	698,856
Unearned revenue:						
Other	65,519	-	-	-	57,131	122,650
<b>Total Liabilities</b>	<u>5,495,893</u>	<u>-</u>	<u>1,089,013</u>	<u>147,198</u>	<u>853,254</u>	<u>7,585,358</u>
<b>Deferred Inflows of Resources:</b>						
Unearned revenue	108,250	-	-	-	-	108,250
<b>Fund Balances:</b>						
Non-spendable	165,789	-	-	-	903	166,692
Spendable:						
Restricted	1,490,528	7,364,964	997,755	-	-	9,853,247
Assigned	-	-	-	3,385,986	1,402,523	4,788,509
Unassigned	8,405,430	-	-	-	-	8,405,430
<b>Total Fund Balances</b>	<u>10,061,747</u>	<u>7,364,964</u>	<u>997,755</u>	<u>3,385,986</u>	<u>1,403,426</u>	<u>23,213,878</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 15,665,890</u>	<u>\$ 7,364,964</u>	<u>\$ 2,086,768</u>	<u>\$ 3,533,184</u>	<u>\$ 2,256,680</u>	<u>\$ 30,907,486</u>

The accompanying notes are an integral part of this statement.  
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**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position**  
**June 30, 2023**

Governmental Funds Total Fund Balance \$ 23,213,878

*Add:*

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows. 385,438

Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. However, in the Statement of Net Position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation or amortization expense:

	Capital assets	201,359,859	
	Less accumulated depreciation	<u>(44,221,287)</u>	157,138,572

An internal service fund is used by the District's management to charge the cost of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 1,421,917

Changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan and Health Care Trust Fund are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members:

	Unamortized pension-related deferred outflows	11,403,785	
	Unamortized pension-related deferred inflows	(2,296,106)	
	Unamortized OPEB-related deferred outflows	555,618	
	Unamortized OPEB-related deferred inflows	<u>(622,578)</u>	9,040,719

*Less:*

Deferred items such as premiums and deferred refunding costs are treated as current transactions on the fund financial statements but are capitalized and amortized on the Statement of Net Position.

	Deferred charge on refunded debt	384,842	
	Premiums and discounts on bonded debt	<u>(17,844,401)</u>	(17,459,559)

liability, accrued compensated absences, retainage payable, and accrued interest are not due and payable in the current period and therefore, are not reported in the funds. This is the amount of District long-term liabilities:

	Bonds payable	(95,205,000)	
	COPs payable	(1,815,000)	
	Net pension liability	(51,787,904)	
	Net OPEB liability	(1,763,208)	
	Accrued compensated absences and retirement benefits	(1,059,955)	
	Accrued interest	<u>(365,773)</u>	<u>(151,996,840)</u>

Governmental Activities Net Position \$ 21,744,125

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

For the Year Ended June 30, 2023

	General Fund	Debt Service Fund	Building Fund	Supplemental Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes:						
General property taxes	\$ 16,163,222	\$ 9,463,822	\$ -	\$ 1,245,746	\$ -	\$ 26,872,790
Specific ownership taxes	1,988,417	-	-	-	-	1,988,417
Intergovernmental revenues:						
Federal sources	1,652,808	-	-	-	313,198	1,966,006
State sources	19,164,320	-	-	-	11,340	19,175,660
Investment income	127,863	170,824	138,543	70,902	13,976	522,108
Other revenue	6,203,147	-	-	-	3,708,795	9,911,942
<b>Total Revenues</b>	<u>45,299,777</u>	<u>9,634,646</u>	<u>138,543</u>	<u>1,316,648</u>	<u>4,047,309</u>	<u>60,436,923</u>
<b>Expenditures:</b>						
Direct instruction	24,163,511	-	-	-	1,034,457	25,197,968
Indirect instruction	5,999,005	-	-	-	-	5,999,005
Transportation	1,408,323	-	-	-	-	1,408,323
Custodial and maintenance	4,077,953	-	-	38,425	-	4,116,378
Support services	3,770,768	-	-	3,105	-	3,773,873
General administration	3,822,012	-	-	-	-	3,822,012
Food service operations	-	-	-	-	898,309	898,309
Debt Service:						
Principal	135,000	4,815,000	-	-	-	4,950,000
Interest	68,173	4,707,625	-	-	-	4,775,798
Other	-	10,382	-	-	-	10,382
Capital outlay	7,153	-	8,171,948	877,308	3,091,595	12,148,004
<b>Total Expenditures</b>	<u>43,451,898</u>	<u>9,533,007</u>	<u>8,171,948</u>	<u>918,838</u>	<u>5,024,361</u>	<u>67,100,052</u>
<b>Excess (Deficiency) or Revenues Over Expenditures</b>	<u>1,847,879</u>	<u>101,639</u>	<u>(8,033,405)</u>	<u>397,810</u>	<u>(977,052)</u>	<u>(6,663,129)</u>
<b>Other Financing Sources (Uses):</b>						
Gain on sale of assets	4,050	-	-	-	110,000	114,050
Transfers in	-	-	-	-	845,388	845,388
Transfers (out)	(845,388)	-	-	-	-	(845,388)
<b>Total Other Financing Sources (Uses)</b>	<u>(841,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955,388</u>	<u>114,050</u>
<b>Net Change in Fund Balance</b>	<u>1,006,541</u>	<u>101,639</u>	<u>(8,033,405)</u>	<u>397,810</u>	<u>(21,664)</u>	<u>(6,549,079)</u>
<b>Fund Balance - Beginning of the Year</b>	<u>9,055,206</u>	<u>7,263,325</u>	<u>9,031,160</u>	<u>2,988,176</u>	<u>1,425,090</u>	<u>29,762,957</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 10,061,747</u>	<u>\$ 7,364,964</u>	<u>\$ 997,755</u>	<u>\$ 3,385,986</u>	<u>\$ 1,403,426</u>	<u>\$ 23,213,878</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

Governmental Funds Changes in Fund Balances \$ (6,549,079)

*Changes:*

An internal service fund is used by the District's management to charge the costs of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included within governmental activities on the Statement of Net Position. 42,920

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions. 12,027,409

Deferred property tax revenue does not provide current financial resources and are deferred inflow on the governmental fund financial statements; not recognized on the government-wide financial statements. This is the change in deferred property tax recognized in the Statement of Activities (61,673)

of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the year. (2,740,384)

Retirement of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments. 4,950,000

Interest on long-term debt in the Statement of Activities differed from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is the change in accrued interest payable during the year. 55,037

Amortization of deferred costs such as premium and discounts on bonds payable and deferred charges from refundings have no impact on current available resources but do change government-wide net position. 4,075,149

Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net pension and OPEB obligation during the year, including differences between employer contributions to the pension and OPEB plan and amortization of pension and OPEB-related deferrals. 96,589

Accrued compensated absences and retirement benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences and retirement benefits during the year. (29,917)

Gains or losses on disposal of assets are recorded in the government-wide financial statements. This represents the loss on disposal of fixed assets during the year. (112,933)

Governmental Activities Change in Net Position \$ 11,753,118

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,959,756
Accounts receivable	87,753
<b>Total Assets</b>	<b>2,047,509</b>
<b>Liabilities:</b>	
Accounts, retainage and deposits payable	625,592
<b>Total Liabilities</b>	<b>625,592</b>
<b>Net Position:</b>	
Unrestricted	1,421,917
<b>Total Net Position</b>	<b>\$ 1,421,917</b>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues:</b>	
Insurance premiums	\$ 5,129,678
Stop loss reimbursements	148,841
Other income	82,478
Interest income	22,682
<b>Total Operating Revenues</b>	<b>5,383,679</b>
<b>Operating Expenses:</b>	
Insurance Claims	4,588,425
Administration fees	752,334
<b>Total Operating Expenses</b>	<b>5,340,759</b>
<b>Change in Net Position</b>	42,920
<b>Net Position - Beginning of the Year</b>	<b>1,378,997</b>
<b>Net Position - End of the Year</b>	<b>\$ 1,421,917</b>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers and employees	\$ 5,339,655
Cash paid for goods and services	(5,167,601)
<b>Net Cash Provided (Used) by Operating Activities</b>	172,054
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	172,054
<b>Cash and Cash Equivalents - Beginning of the Year</b>	1,787,702
<b>Cash and Cash Equivalents - End of the Year</b>	\$ 1,959,756
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ 42,920
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>	
(Increase) decrease in accounts receivable	(44,024)
Increase (decrease) in accounts payable	173,158
<b>Total Adjustments</b>	129,134
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 172,054

The accompanying notes are an integral part of this statement.

Steamboat Springs School District RE-2

Notes to the Financial Statements



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

**Steamboat Springs School District  
Notes to the Financial Statements  
June 30, 2023**

**I. Summary of Significant Accounting Policies**

Steamboat Springs School District (the “District”) operates under a locally elected Board of Education with seven members. The District provides academic curriculum, student transportation, food services, athletic and cultural extracurricular activities, maintenance and general administrative services. The District operates the following schools:

<u><b>Elementary Schools</b></u>	<u><b>Middle Schools</b></u>
Soda Creek Elementary	Steamboat Springs Middle School
Strawberry Park Elementary	Sleeping Giant School
Sleeping Giant School	
<u><b>High Schools</b></u>	<u><b>Charter Schools</b></u>
Steamboat Springs High School	North Routt Community Charter School
Yampa Valley High School	

The District’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Financial Reporting Entity**

The reporting entity consists of (a) the primary government, i.e., the District; and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint the voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy tax, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included with the reporting entity. As required by GAAP, the financial statements of the reporting entity include those of the District and its component units, entities for which the District is considered financially accountable.

On June 25, 2001, The District entered into a contract with the North Routt Community Charter School (the “Charter School”), establishing the school in north Routt County. The Charter School is considered a legally separate entity and a public school subject to the provision of the Colorado Revised Statutes Title 22, Article 7, Part 6. The District is required by State Statute to pass through to the Charter School 95% of the District’s per pupil operating revenue. The Charter School is presented as a governmental fund type. Complete financial statements for the Charter School may be obtained at the entity’s administrative offices.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Government-wide financial statements report information on all the activities of the District and its component unit. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District has no business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of the District's governmental functions. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the governmental function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's operations.

The financial transactions of the District are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

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

The *Debt Service Fund* accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Building Fund* accounts for and reports the financial resources that are restricted, committed, or assigned to expenditure for the use of projects approved by the Series 2018, General Obligation Bonds proceeds.

The *Supplemental Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital construction, new instructional technology, existing technology upgrades, and maintenance needs.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

Additionally, the District reports the following fund types:

The *Insurance Internal Service Fund* accounts for benefits or goods or services undertaken by the District to primarily support the District and/or its employees. The District's only internal service fund is the *Employee Medical Benefit Fund*, which services the District's self-funded health insurance plan.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Both the governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flow.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred.

The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**3. Financial Statement Presentation**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the District defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less.

Cash equivalents are both readily convertible to cash and are so near their maturity they present insignificant risk of change in value due to interest rate changes.

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concertation risk criteria in which local governments may invest, which include (with applicable minimum NRSRO credit rating restrictions):

- Obligations of the United States and certain U.S. agency securities
- General obligation and revenue bonds of U.S. local government entities (AA)
- Bankers' acceptance of certain banks (AA)
- Commercial paper and corporate bonds (A-1)
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds (AAAm)
- Certificates of deposit – non-negotiable
- Local government investment pools (AAAm)

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**2. Receivables**

All property tax and other receivables are shown net of an allowance for uncollectible accounts. At June 30, 2023, the District deems all receivables collectable and therefore does not have an allowance for uncollectible accounts established.

Property taxes are levied in December and attach as an enforceable lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes levied in 2022 but not yet collected in 2023 are identified as property taxes receivable and deferred revenues at June 30, 2023, and are presented net of an allowance for uncollectible taxes.

Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**3. Inventories**

All inventories are valued at cost using the first-in / first-out (FIFO) method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. Donated commodities inventories are offset by unearned revenue. 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.

**4. Prepaid Items**

The District uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

**5. Capital Assets**

Capital assets, which include land, buildings improvements, vehicles, and equipment, are reported in the governmental column in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Capital Assets (continued)**

Capital outlay for projects is capitalized as projects are constructed. Costs related to the construction of assets including interest, engineering, legal, surveying, and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized.

Capital assets (excluding land and construction in progress) of the primary government and its component unit are depreciated using the straight-line method over estimated useful lives of the underlying assets, as shown below.

	<u>Estimated Lives</u>
Building	50
Building Improvements	50
Vehicles	10
Office Equipment	10
Computer Equipment	5

**6. Compensated Absences and Retirement Benefits Liability**

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental that will pay it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements.

Each employee who has been employed by the District for 18 or more years is eligible to participate in a retirement plan. Amounts are payable upon retirement or may be split over the last three years of employment if the employee chooses to work an additional 10 days per year. The estimated liability for all employees participating in the retirement plan is recorded in governmental activities in the Statement of Net Position, as a component of compensated absences.

**7. Accrued Salaries**

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**8. Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has three items, deferred charge on refunding, pension, and other post-employment benefits (“OPEB”) related deferred outflows, which qualify for reporting under this category on the Statement of Net Position. The deferred charge on refunding represents the difference between the carrying value of refunded debt and its reacquisition price, and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, pension and OPEB related deferred inflows, reported in the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

See Note III.G and Note III.H below for discussion on pension and OPEB, respectively, related deferred outflows and inflows.

**9. Long-Term Obligations**

In the government-wide financial statements, long-term debt is reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts, and deferred refunding costs are amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the fund financials.

**10. Pensions**

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**11. Other Post Employment Benefit Plan (“OPEB”)**

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

**12. Fund Balance and Fund Classifications**

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The District classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Education. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**12. Fund Balance and Fund Classifications (continued)**

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In addition to the above note disclosure, GASB requires disclosure of the following fund definitions:

*General Fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

*Special Revenue Funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

*Capital Projects Funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

*Debt Service Funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**13. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. If the receivable or payable is not expected to be liquidated after one year, it is classified as "advances to other funds" or "advances from other funds".

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**14. State Equalization Aid**

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

**E. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Credit Risk**

The receivables of the various funds of the District are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

**II. Stewardship, Compliance, and Accountability**

**A. Bond Trustee**

Colorado state statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with UMB Financial Corporation in order to meet this requirement.

**B. Budgetary Information**

Budgets are adopted on a basis consistent with GAAP. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

**Steamboat Springs School District  
Notes to the Financial Statements  
June 30, 2023  
(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**B. Budgets and Budgetary Information (continued)**

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for fiscal year 2023:

- a. The proposed budget was submitted to the Board of Education by May 31 of the year preceding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
- b. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.
- c. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
- d. The final budget was adopted prior to June 30, along with an appropriation resolution.

Supplemental appropriations for the primary government during 2023 resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Final Appropriation</u>	<u>Change</u>
General fund	\$ 44,395,952	\$ 44,158,332	\$ (237,620)
Debt service fund	9,613,950	9,522,625	(91,325)
Building fund	7,020,000	9,156,160	2,136,160
Supplemental capital projects fund	772,382	785,654	13,272
Food service fund	979,232	979,332	100
Capital projects fund	3,292,788	3,358,718	65,930

During 2023, the Supplemental Capital Projects Fund had expenditures in excess of appropriations of \$133,184.

**C. TABOR Amendment – Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended 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 that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing 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 fiscal years.

On November 5, 1998, voters passed a referendum allowing the District to keep and spend any excess revenues from grants, fees, leases, interest, sales and use taxes, and other non-property tax.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**Stewardship, Compliance, and Accountability (continued)**

**C. TABOR Amendment – Revenue and Spending Limitation Amendment (continued)**

TABOR also 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 3% or more of fiscal year spending. The District has reserved \$1,490,528 of its June 30, 2023 fund balances for this purpose. The District’s management believes it is in compliance with the financial provisions of TABOR. However, the TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible depositories. The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (“FDIC”) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits.

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2023, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	\$ 18,274,068

*Interest Rate Risk.* The District limits investments maturities as required by state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes require the District to limit maturities to five years from the date of purchase. Maturities of investments held at June 30, 2023 are provided in the previous schedule. The District coordinates its investment maturities to closely match cash flow needs.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Custodial Risk.* State law specify instruments in which local governments may invest, including obligations of the United States, certain U.S. governmental agency securities, local government investment pools, and commercial paper, among other items. The District’s general investment policy is to invest surplus funds in accordance with state law, to ensure the preservation of capital, to ensure that adequate funds are available at all times to meet the financial obligations of the District when due, and to realize rates of return on invested funds which are comparable to market levels.

*Concentration of Credit Risk.* State statues do not limit the amount the District may invest in any one issuer.

*Local Government Investment Pool* – The Colorado Government Liquid Asset Trust (“COLOTRUST”) is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by the Trust. COLOTRUST investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in COLOTRUST at June 30, 2023, the District had invested in COLOTRUST operates like a 2a-7 external investment pool and investments in the pool are valued at \$1 net asset value.

The District’s cash and investments at June 30, 2023 had the following maturities:

	Rating	Carrying Amounts	Maturities	
			Less than One Year	Less than Five Years
<b>Deposits:</b>				
Petty cash	Not rated	\$ 1,936	\$ 1,936	\$ -
Checking	Not rated	1,275,596	1,275,596	-
Savings and Money Market	Not rated	8,183,637	8,183,637	-
<b>Investments:</b>				
Government Investment Pools	AAAm	18,274,068	18,274,068	-
Cash with Fiscal Agent	AAAm	249,781	249,781	-
Total		<u>\$ 27,985,018</u>	<u>\$ 27,985,018</u>	<u>\$ -</u>

At June 30, 2023 the North Routt Community Charter School had the following cash and investments:

Deposits	\$ 713,023
	<u>\$ 713,023</u>

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables as of year-end for the District's major and non-major funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Building Fund</u>	<u>Supplemental Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receivables:</b>						
Accounts	\$ 1,896,194	\$ -	\$ -	\$ -	\$ 782,393	\$ 2,678,587
Taxes	617,584	247,918	-	32,566	-	898,068
Other governments	440,021	-	-	-	-	440,021
<b>Net receivables</b>	<u>\$ 2,953,799</u>	<u>\$ 247,918</u>	<u>\$ -</u>	<u>\$ 32,566</u>	<u>\$ 782,393</u>	<u>\$ 4,016,676</u>

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period

**C. Capital Assets**

Capital asset activity for the year ending June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,359,968	\$ -	\$ (93,028)	\$ 2,266,940
Construction in progress	86,544,333	8,123,760	(61,229,676)	33,438,417
Total capital assets not depreciated	<u>88,904,301</u>	<u>8,123,760</u>	<u>(61,322,704)</u>	<u>35,705,357</u>
Capital assets being depreciated and amortized:				
Building	95,785,940	62,527,649	-	158,313,589
Vehicles	2,792,981	2,400,547	(29,500)	5,164,028
Equipment	2,361,356	205,129	(389,600)	2,176,885
Total capital assets being depreciated and amortized	<u>100,940,277</u>	<u>65,133,325</u>	<u>(419,100)</u>	<u>165,654,502</u>
Less accumulated depreciation and amortization for:				
Building	(38,567,580)	(2,423,571)	-	(40,991,151)
Vehicles	(1,736,142)	(122,603)	29,500	(1,829,245)
Equipment	(1,576,376)	(194,210)	369,695	(1,400,891)
Total accumulated depreciation and amortization	<u>(41,880,098)</u>	<u>(2,740,384)</u>	<u>399,195</u>	<u>(44,221,287)</u>
<b>Total Governmental Activities - Capital Assets, Net</b>	<u>\$ 147,964,480</u>	<u>\$ 70,516,701</u>	<u>\$ (61,342,609)</u>	<u>\$ 157,138,572</u>

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**C. Capital Assets (continued)**

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

	<u>Capital Outlay</u>	<u>Depreciation</u>
<b>Governmental Activities:</b>		
Direct instruction	\$ 10,554,082	\$ 2,404,694
Transportation	945,490	215,425
Custodial and maintenance	108,337	24,684
General administration	378,617	86,266
Food service	40,883	9,315
<b>Total Governmental Activities</b>	<u>\$ 12,027,409</u>	<u>\$ 2,740,384</u>

**D. Interfund and Component Unit Receivables, Payables, and Transfers**

The composition of interfund and component unit balances as of June 30, 2023 is as follows:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ 698,856	\$ -
Student activities fund	-	(54,554)
Capital projects fund	-	(644,302)
	<u>\$ 698,856</u>	<u>\$ (698,856)</u>

Interfund and component unit balances at June 30, 2023 represent allocations of resources based upon Board of Education adopted budgetary policies or as a result of interfund services provided. These remaining balances resulted from the time lag between the dates that transactions are recorded in the accounting period, and payments between funds are made.

Interfund transfers during 2023 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ (845,388)
Capital projects fund	845,388	-
	<u>\$ 845,388</u>	<u>\$ (845,388)</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service. All District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt**

**1. 2013 General Obligation Refunding Bonds**

The District issued \$8,875,000 of General Obligation Refunding Bonds (the “2013 Bonds”) dated February 27, 2013. Proceeds from the 2013 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, Series 2007. The interest rates on the Series 2013 Bonds ranges from 2% to 3% and is payable semi-annually on June 1 and December 1 through 2023. The 2013 Bonds are subject to redemption prior to maturity.

**2. 2015 General Obligation Refunding Bonds**

The District issued \$9,110,000 of General Obligation Refunding Bonds (the “2015 Bonds”) dated December 22, 2015. Proceeds from the 2015 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, series 2007. The interest rates on the Series 2015 Bonds ranges from 3% to 4% and is payable semi-annually on June 1 and December 1 through 2026. The 2015 Bonds are subject to redemption prior to maturity.

**3. 2018 General Obligation Bonds**

The District issued \$12,900,000 of General Obligation Refunding Bonds (the “2018 Bonds”) dated January 31, 2018. Proceeds from the 2018 Bonds were used to finance construction projects. The 2018 Bonds have a stated interest of 5% and is payable semi-annually on June 1 and December 1 through 2024. The 2018 Bonds are not subject to redemption prior to maturity.

**4. 2020 General Obligation Bonds**

The District issued \$79,500,000 of General Obligation Refunding Bonds (the “2020 Bonds”) dated January 21, 2020. Proceeds from the 2020 Bonds were used to finance construction projects. The 2020 Bonds have a stated interest of 5% and is payable semi-annually on June 1 and December 1 through 2039. The bonds are general obligations of the District and shall be payable from general ad valorem taxes required to be levied, without limitation as to rate and in amounts sufficient to pay the principal of and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose. The 2020 Bonds are not subject to redemption prior to maturity.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**5. 2014 Certificates of Participation**

The District issued \$2,940,000 of Certificates of Participation (the “2014 COPs”) dated January 8, 2014. Proceeds from the 2014 COPs were used to finance construction projects. The 2014 COPs have a stated interest ranging from 2% to 4% and is payable semi-annually on June 1 and December 1 through 2033. The 2014 COPs are not subject to redemption prior to maturity. Repayment of the COPs is secured only by title to the District’s central administration building, held by the Trustee. The COPs are subject to redemption prior to maturity, at the option of the District at a redemption price equal to the par amount thereof, plus accrued interest.

**6. Schedule of Future Payment**

Annual debt service requirement to maturity for general obligation bonds is as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 4,805,000	\$ 4,616,300	\$ 9,421,300
2025	4,925,000	4,432,050	9,357,050
2026	4,015,000	4,214,000	8,229,000
2027	4,185,000	4,042,550	8,227,550
2028	4,360,000	3,863,750	8,223,750
2029 - 2033	25,315,000	15,851,000	41,166,000
2034 - 2038	32,305,000	8,827,000	41,132,000
2039 - 2043	15,295,000	1,156,500	16,451,500
Totals	<u>\$ 95,205,000</u>	<u>\$ 47,003,150</u>	<u>\$ 142,208,150</u>

Annual debt service requirement to maturity for certificates of participation is as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 140,000	\$ 64,156	\$ 204,156
2025	145,000	59,791	204,791
2026	150,000	55,181	205,181
2027	150,000	50,213	200,213
2028	155,000	44,875	199,875
2029 - 2033	880,000	128,557	1,008,557
2034	195,000	3,900	198,900
Totals	<u>\$ 1,815,000</u>	<u>\$ 406,673</u>	<u>\$ 2,221,673</u>

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**5. Defeasance of Debt**

As noted above, proceeds of the refunding bond issues were used to purchase U.S. government securities to retire outstanding issuances. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The District is unable to determine the amount of defeased bonds outstanding at year-end.

**6. Changes in General Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 2013	\$ 5,390,000	\$ -	\$ (2,905,000)	\$ 2,485,000	\$ 2,485,000
Series 2015	9,110,000	-	-	9,110,000	315,000
Series 2018	6,020,000	-	(1,910,000)	4,110,000	2,005,000
Series 2020	79,500,000	-	-	79,500,000	-
COPs, Series 2014	1,950,000	-	(135,000)	1,815,000	140,000
Unamortized bond premiums	21,968,407	-	(4,124,006)	17,844,401	-
Accrued compensated absences	694,548	-	(4,776)	689,772	-
Early retirement	335,490	34,693	-	370,183	-
Net pension liability	35,479,028	16,308,876	-	51,787,904	-
Net OPEB liability	402,056	1,361,152	-	1,763,208	-
<b>Total Governmental Activities</b>	<u>\$ 160,849,529</u>	<u>\$ 17,704,721</u>	<u>\$ (9,078,782)</u>	<u>\$ 169,475,468</u>	<u>\$ 4,945,000</u>

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Benefits provided as of December 31, 2022 (continued).* Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (“AAP”) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (“AI”) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (“AIR”) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contribution provisions as of December 31, 2022:* Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	<b>July 1, 2021 through June 30, 2022</b>
Employer Contribution Rate	11.40%
Amount of the 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 Trust Fund	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as presented in C.R.S. 24-51-411	5.50%
<b>Total employer contribution rate to Trust Fund</b>	<b>20.38%</b>

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Contribution provisions as of December 31, 2022 (continued).* Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$4,777,163 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.* The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the District reported a liability of \$51,787,904 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 51,787,904
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	11,686,076
Total	<u>\$ 63,473,980</u>

At December 31, 2022, the District's proportionate share was 0.2844%, which was a decrease of 6.7146% compared to its proportionate share of 0.3049% measured as of December 31, 2021.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Pension Expense.* For the year ended June 30, 2023, the District recognized pension expense of \$6,638,772 and revenue of \$1,284,803 for support from the State as a nonemployer contributing entity.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expenses and actual experience	\$ 490,116	\$ -
Change of assumptions or other inputs	917,332	-
Net difference between projected and actual earnings on plan investments	6,957,023	-
Changes in proportionate share of contributions	628,367	2,296,106
Contributions subsequent to measurement date	2,410,947	-
	\$ 11,403,785	\$ 2,296,106

\$2,410,947, reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date of December 31, 2022, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Amortization</b>
2024	\$ (34,065)
2025	392,044
2026	2,292,164
2027	4,046,589
	\$ 6,696,732

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

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

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 on 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.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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:

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

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Discount rate (continued):*

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of net pension liabil	\$ 67,772,556	\$ 51,787,904	\$ 38,439,087

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources**

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

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

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

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

*PERA Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for 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 percent 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.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Benefit provided (continued):*

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, 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 subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$239,093 for the year ended June 30, 2023.

*Liabilities.* At June 30, 2023, the District reported a liability of \$1,763,208 for its proportionate share of net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Liabilities.* At December 31, 2022, the District proportion was 0.2160%, which was an increase of 9.8213% from its proportion of 0.1966% measured as of December 31, 2021.

*Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the District recognized OPEB expense of \$2,100,702. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expenses and actual experience	\$ 228	\$ 426,403
Change of assumptions or other inputs	28,340	194,604
Net difference between projected and actual earnings on plan investments	107,693	-
Changes in proportionate share of contributions	298,691	1,571
Contributions subsequent to measurement date	120,666	-
	\$ 555,618	\$ 622,578

\$120,666, reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30,</b>	<b>Amortization</b>
2024	\$ (105,186)
2025	(94,466)
2026	(6,129)
2027	30,262
2028	(10,220)
Thereafter	(1,887)
	\$ (187,626)

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of 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 total OPEB liability for the HCTF as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net positions 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.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

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

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

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

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

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

**Steamboat Springs School District  
Notes to the Financial Statements  
June 30, 2023  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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+	450.00%	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 total OPEB liability for the HCTF, but developed using 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.

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued).* 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.

Post-retirement non-disabled mortality assumptions for the School were based upon the PubT-2010 Health 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.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued).* The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

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

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

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

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

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

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

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

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

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERA Care Medicare Trent Rate	5.25%	6.25%	7.25%
Ultimate PERA Care Medicare Trent Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Proportionate Share of Net OPEB Liability	\$ 1,713,302	\$ 1,763,208	\$ 1,817,512

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**H. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

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

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

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

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of net pension liabil	\$ 2,044,081	\$ 1,763,208	\$ 1,522,972

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

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**IV. Other Information**

**A. Defined Contribution Plan**

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

*Funding Policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the year ended June 30, 2023.

**B. Risk Management**

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The District has joined other school districts in the Colorado School district Self Insurance Pool ("CSDSIP"), a public entity risk pool operating as a common risk management and insurance program for member districts. The District pays and annual contribution to CSDSIP for its property and casualty insurance coverage. The agreement with CSDSIP provides that the pool will be financially self-sustaining through member contribution and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**C. Self-Insurance Program**

The District is self-insured with respect to health insurance claims. However, an excess liability policy in the amount of \$125,000 has been purchased. The claims liability is based on the requirement of GASB Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probably that a liability has been incurred at the date of the financial statements and amount can be reasonably estimated. Claim liabilities, including incurred but not reported ("IBNR") claims, are based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities also include specific, incremental claim adjustment expense. In addition, estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims.

Expenses and liabilities are estimated through a case-by-case review of all claims and the application of historical experience for outstanding claims.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**IV. Other Information (continued)**

**C. Self-Insurance Program (continued)**

Incurred but not reported claims are recorded as a liability of the Employee Medical Benefit Internal Service Fund. At June 30, 2023 these claims were estimated by the administrator at \$594,757.

	<b>Year ended 6/30/23</b>	<b>Year ended 6/30/22</b>
Unpaid claims, beginning	\$ 434,082	\$ 189,117
Incurred claims, including IBNRs	4,588,425	4,057,637
Claim paid	(4,427,750)	(3,812,672)
Unpaid claims, ending	\$ 594,757	\$ 434,082

**D. Pupil Counts**

Each year the District submits data regarding pupil counts to the Colorado Department of Education (“CDE”). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students’ funding eligibility as outlined in the Public School Finance Act of 1994(22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district’s student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits.

The District believes its pupil count information is accurate and any adjustment would not be material.

**E. Claims and Contingencies**

**1. Legal Matters**

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2023.

**2. Federal and State Programs**

Funds received from Federal grants are subject to audit and disallowance of ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2023.

**Steamboat Springs School District**  
**Notes to the Financial Statements**  
**June 30, 2023**  
**(Continued)**

**IV. Other Information (continued)**

**E. Claims and Contingencies (continued)**

**3. State Programs**

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. These adjustments can be material. The amount of these adjustments cannot be estimated or determined as of the date of these financial statements.

Steamboat Springs School District RE-2

Required Supplementary Information



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>				
General property taxes	\$ 15,680,008	\$ 16,115,751	\$ 16,163,222	\$ 47,471
Specific ownership taxes	1,700,000	1,700,000	1,988,417	288,417
Federal sources	1,502,074	1,677,329	1,652,808	(24,521)
State sources	18,707,912	18,313,442	19,164,320	850,878
Interest income	20,000	80,000	127,863	47,863
Other revenue	5,912,600	5,938,388	6,203,147	264,759
<b>Total Revenues</b>	<u>43,522,594</u>	<u>43,824,910</u>	<u>45,299,777</u>	<u>1,474,867</u>
<b>Expenditures:</b>				
Direct instruction	24,937,529	24,798,679	24,163,511	635,168
Indirect instruction	6,553,923	6,406,676	5,999,005	407,671
Transportation	1,355,415	1,380,767	1,408,323	(27,556)
Custodial and maintenance	3,665,112	3,708,394	4,077,953	(369,559)
Support services	3,814,842	3,822,973	3,770,768	52,205
General administration	3,858,050	3,835,162	3,822,012	13,150
Debt service:				
Principal	130,000	135,000	135,000	-
Interest	75,181	68,281	68,173	108
Capital outlay	5,900	2,400	7,153	(4,753)
<b>Total Expenditures</b>	<u>44,395,952</u>	<u>44,158,332</u>	<u>43,451,898</u>	<u>706,434</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(873,358)</u>	<u>(333,422)</u>	<u>1,847,879</u>	<u>2,181,301</u>
<b>Other Financing Sources (Uses):</b>				
Gain on sale of assets	-	550	4,050	3,500
Transfers (out)	(845,388)	(845,388)	(845,388)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(845,388)</u>	<u>(844,838)</u>	<u>(841,338)</u>	<u>3,500</u>
<b>Net Change in Fund Balance</b>	(1,718,746)	(1,178,260)	1,006,541	2,184,801
<b>Fund Balance - Beginning of the Year</b>	8,151,904	9,055,207	9,055,206	(1)
<b>Fund Balance - End of the Year</b>	<u>\$ 6,433,158</u>	<u>\$ 7,876,947</u>	<u>\$ 10,061,747</u>	<u>\$ 2,184,800</u>

See accompanying notes to the RSI.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years \***

<b>For the measurement date of December 31,</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
District's portion of the net pension liability	0.2844%	0.3049%	0.3161%	0.2823%	0.2848%
District's proportionate share of the net pension liability	51,787,904	35,479,028	47,792,368	42,314,559	50,428,627
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	11,686,076	3,648,916	-	4,762,945	6,065,976
Total proportionate share of the net pension liability associated with the District	<u>63,473,980</u>	<u>39,127,944</u>	<u>47,792,368</u>	<u>47,077,504</u>	<u>56,494,603</u>
District's covered payroll	21,904,625	19,132,225	16,888,824	16,646,440	15,656,659
District's proportionate share of the net pension liability as a percentage of its covered payroll	236%	185%	283%	254%	322%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%
<b>For the measurement date of December 31,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
District's portion of the net pension liability	0.3246%	0.3430%	0.3449%	0.3346%	
District's proportionate share of the net pension liability	104,959,883	102,134,589	52,749,732	45,353,851	
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-	-	-	-	
Total proportionate share of the net pension liability associated with the District	<u>104,959,883</u>	<u>102,134,589</u>	<u>52,749,732</u>	<u>45,353,851</u>	
District's covered payroll	14,972,812	15,396,009	15,049,384	14,220,569	
District's proportionate share of the net pension liability as a percentage of its covered payroll	701%	663%	315%	319%	
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%	59.20%	62.84%	

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2014.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of District Pension Contributions**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years \***

<b>Fiscal year-ended June 30,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 4,777,163	\$ 3,787,839	\$ 3,479,508	\$ 3,252,743	\$ 3,109,304
Contributions in relation to the contractually required contribution	<u>\$ (4,777,163)</u>	<u>\$ (3,787,839)</u>	<u>\$ (3,479,508)</u>	<u>\$ (3,252,743)</u>	<u>\$ (3,109,304)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 23,440,446	\$ 20,277,223	\$ 17,491,616	\$ 16,784,021	\$ 16,253,548
Contributions as a percentage of covered payroll	20.38%	18.68%	19.89%	19.38%	19.13%
<b>Fiscal year-ended June 30,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Contractually required contribution	\$ 2,828,439	\$ 2,783,115	\$ 2,745,374	\$ 2,429,217	
Contributions in relation to the contractually required contribution	<u>\$ (2,828,439)</u>	<u>\$ (2,783,115)</u>	<u>\$ (2,745,374)</u>	<u>\$ (2,429,217)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 14,979,145	\$ 15,142,431	\$ 15,481,127	\$ 14,446,992	
Contributions as a percentage of covered payroll	18.88%	18.38%	17.73%	16.81%	

\* Information is only available beginning in fiscal year 2014.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

<b>For the measurement date of December 31,</b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
District's proportion of the net OPEB liability	0.2160%	0.1966%	0.1828%	0.1853%	0.1852%
District's proportionate share of the net OPEB liability	1,763,208	1,695,636	1,736,916	2,082,322	2,519,533
District's covered payroll	21,904,625	19,132,225	16,888,824	16,646,440	15,656,659
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	8.05%	8.86%	10.28%	12.51%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.79%	17.03%
 <b>For the measurement date of December 31,</b>	 <b><u>2017</u></b>				
District's proportion of the net OPEB liability	0.1845%				
District's proportionate share of the net OPEB liability	2,397,257				
District's covered payroll	14,972,812				
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.01%				
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%				

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2018.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of District Other Post-Employment Benefits Contributions**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

<b>Fiscal year-ended June 30,</b>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Contractually required contribution	\$ 239,093	\$ 191,985	\$ 170,766	\$ 171,197	\$ 165,786
Contributions in relation to the contractually required contribution	<u>\$ (239,093)</u>	<u>\$ (191,985)</u>	<u>\$ (170,766)</u>	<u>\$ (171,197)</u>	<u>\$ (165,786)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 23,440,446	\$ 20,277,222	\$ 16,741,834	\$ 16,784,021	\$ 16,253,548
Contributions as a percentage of covered payroll	1.02%	0.95%	1.02%	1.02%	1.02%
 <b>Fiscal year-ended June 30,</b>	 <u><b>2018</b></u>				
Contractually required contribution	\$ 152,787				
Contributions in relation to the contractually required contribution	<u>\$ (152,787)</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 14,979,145				
Contributions as a percentage of covered payroll	1.02%				

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2018.

**Steamboat Springs School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

**I. Schedule of the District's Proportionate Share of the Net Pension Liability**

**A. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2021 actuarial valuation:**

- There were no changes made to the actuarial methods or assumptions.

**2. Changes since the December 31, 2020 actuarial valuation:**

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

**3. Changes since the December 31, 2019 actuarial valuation:**

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
  - 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.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

**4. Changes since the December 31, 2018 actuarial valuation:**

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

**5. Changes since the December 31, 2017 actuarial valuation:**

- The single equivalent interest rate ("SEIR") was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

**Steamboat Springs School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**(Continued)**

**I. Schedule of District's Proportionate Share of the Net Pension Liability (continued)**

**A. Changes to assumptions or other inputs (continued)**

**6. Changes since the December 31, 2016 actuarial valuation:**

- The single equivalent interest rate ("SEIR") was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

**7. Changes since the December 31, 2015 actuarial valuation:**

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School ("DPS") Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the School Division Trust Fund was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

**8. Changes since the December 31, 2014 actuarial valuation**

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

**Steamboat Springs School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**(Continued)**

**I. Schedule of the District's Proportionate Share of the Net Pension Liability (continued)**

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

**II. Notes to the Schedule of District Pension Contributions**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

**III. Schedule of the District's Proportionate Share of the OPEB Liability**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit term**

No changes during the years presented.

**C. Changes of size or composition of population covered by terms**

No changes during the years presented.

**IV. Notes to the Schedule of District's OPEB Contributions**

**A. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2021 actuarial valuation:**

- The timing of the retirement decrement was adjusted to middle-of-year.

**2. Changes since the December 31, 2020 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**3. Changes since the December 31, 2019 actuarial valuation:**

- Changes since December 31, 2019 to the Health Care Trust Fund actuarial valuation are the same as the changes to the School Division Trust Fund noted in Note I.A.3 above.

**Steamboat Springs School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**(Continued)**

**IV. Notes to the Schedule of District's OPEB Contributions (continued)**

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

Steamboat Springs School District RE-2

Supplementary Information



STEAMBOAT SPRINGS  
SCHOOL DISTRICT

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
General property taxes	\$ 9,614,610	\$ 9,421,073	\$ 9,463,822	\$ 42,749
Interest income	5,000	107,552	170,824	63,272
<b>Total Revenues</b>	<u>9,619,610</u>	<u>9,528,625</u>	<u>9,634,646</u>	<u>106,021</u>
<b>Expenditures:</b>				
Debt Service				
Principal	4,798,950	4,815,000	4,815,000	-
Interest	4,815,000	4,707,625	4,707,625	-
Other	2,200	6,000	10,382	(4,382)
<b>Total Expenditures</b>	<u>9,616,150</u>	<u>9,528,625</u>	<u>9,533,007</u>	<u>(4,382)</u>
<b>Net Change in Fund Balance</b>	3,460	-	101,639	101,639
<b>Fund Balance - Beginning of the Year</b>	<u>7,178,578</u>	<u>7,263,325</u>	<u>7,263,325</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 7,182,038</u>	<u>\$ 7,263,325</u>	<u>\$ 7,364,964</u>	<u>\$ 101,639</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Building Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Interest income	\$ 20,000	\$ 125,000	\$ 138,543	\$ 13,543
<b>Total Revenues</b>	<u>20,000</u>	<u>125,000</u>	<u>138,543</u>	<u>13,543</u>
<b>Expenditures:</b>				
Capital Outlay	7,020,000	9,156,160	8,171,948	984,212
<b>Total Expenditures</b>	<u>7,020,000</u>	<u>9,156,160</u>	<u>8,171,948</u>	<u>984,212</u>
<b>Net Change in Fund Balance</b>	(7,000,000)	(9,031,160)	(8,033,405)	997,755
<b>Fund Balance - Beginning of the Year</b>	<u>7,000,000</u>	<u>9,031,160</u>	<u>9,031,160</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 997,755</u>	<u>\$ 997,755</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Supplemental Capital Projects Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
General property taxes	\$ 1,250,000	\$ 1,240,697	\$ 1,245,746	\$ 5,049
Interest income	2,000	25,000	70,902	45,902
<b>Total Revenues</b>	<u>1,252,000</u>	<u>1,265,697</u>	<u>1,316,648</u>	<u>50,951</u>
<b>Expenditures:</b>				
Custodial and maintenance	50,000	38,425	38,425	-
Support services	5,000	5,000	3,105	1,895
Capital Outlay	717,382	742,229	877,308	(135,079)
<b>Total Expenditures</b>	<u>772,382</u>	<u>785,654</u>	<u>918,838</u>	<u>(133,184)</u>
<b>Net Change in Fund Balance</b>	479,618	480,043	397,810	(82,233)
<b>Fund Balance - Beginning of the Year</b>	<u>2,963,751</u>	<u>2,988,176</u>	<u>2,988,176</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 3,443,369</u>	<u>\$ 3,468,219</u>	<u>\$ 3,385,986</u>	<u>\$ (82,233)</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

	<u>Special Revenue Funds</u>			<b>Total Non-Major Governmental Funds</b>
	<u>Food Service Fund</u>	<u>Student Activities Fund</u>	<u>Capital Projects Fund</u>	
<b>Assets:</b>				
Cash and cash equivalents	\$ 606,061	\$ 653,790	\$ 213,533	\$ 1,473,384
Accounts receivable	33,081	-	749,312	782,393
Inventories and prepaid expenses	903	-	-	903
<b>Total Assets</b>	<u>640,045</u>	<u>653,790</u>	<u>962,845</u>	<u>2,256,680</u>
<b>Liabilities:</b>				
Accounts, retainage and deposits payable	167	22,594	471	23,232
Accrued compensation	74,035	-	-	74,035
Due to other funds	-	54,554	644,302	698,856
Unearned revenue:				
Other liabilities	57,131	-	-	57,131
<b>Total Liabilities</b>	<u>131,333</u>	<u>77,148</u>	<u>644,773</u>	<u>853,254</u>
<b>Fund Balances:</b>				
Non-spendable	903	-	-	903
Spendable:				
Assigned	507,809	576,642	318,072	1,402,523
<b>Total Fund Balances</b>	<u>508,712</u>	<u>576,642</u>	<u>318,072</u>	<u>1,403,426</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 640,045</u>	<u>\$ 653,790</u>	<u>\$ 962,845</u>	<u>\$ 2,256,680</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**June 30, 2023**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Student Activities Fund</u>		
<b>Revenues:</b>				
Intergovernmental revenues:				
Federal sources	\$ 312,986	\$ -	\$ 60,744	\$ 373,730
State sources	11,340	-	-	11,340
Investment income	10,979	-	2,997	13,976
Other revenue	583,606	988,335	2,136,854	3,708,795
<b>Total Revenues</b>	<u>918,911</u>	<u>988,335</u>	<u>2,200,595</u>	<u>4,107,841</u>
<b>Expenditures:</b>				
Direct instruction	-	1,034,457	-	1,034,457
Food service operations	898,309	-	-	898,309
Capital outlay	-	-	3,152,127	3,152,127
<b>Total Expenditures</b>	<u>898,309</u>	<u>1,034,457</u>	<u>3,152,127</u>	<u>5,084,893</u>
<b>Excess (Deficiency) or Revenues Over Expenditures</b>	<u>20,602</u>	<u>(46,122)</u>	<u>(951,532)</u>	<u>(977,052)</u>
<b>Other Financing Sources (Uses):</b>				
Gain on sale of assets	-	-	110,000	110,000
Transfers in	-	-	845,388	845,388
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>955,388</u>	<u>955,388</u>
<b>Net Change in Fund Balance</b>	20,602	(46,122)	3,856	(21,664)
<b>Fund Balance - Beginning of the Year</b>	<u>488,110</u>	<u>622,764</u>	<u>314,216</u>	<u>1,425,090</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 508,712</u>	<u>\$ 576,642</u>	<u>\$ 318,072</u>	<u>\$ 1,403,426</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Special Revenue Fund**  
**Food Service Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Federal sources	\$ 255,858	\$ 345,622	\$ 312,986	\$ (32,636)
State sources	8,500	10,556	11,340	784
Interest income	200	4,000	10,979	6,979
Food sales	392,500	457,500	583,606	126,106
<b>Total Revenues</b>	<u>657,058</u>	<u>817,678</u>	<u>918,911</u>	<u>101,233</u>
<b>Expenditures:</b>				
Food Service Operations:				
Salaries and employee benefits	590,382	550,482	518,190	32,292
Supplies	30,000	30,000	29,301	699
Other	53,850	98,850	98,469	381
Food costs	305,000	300,000	209,529	90,471
Capital outlay	-	-	42,820	(42,820)
<b>Total Expenditures</b>	<u>979,232</u>	<u>979,332</u>	<u>898,309</u>	<u>81,023</u>
<b>Net Change in Fund Balance</b>	(322,174)	(161,654)	20,602	182,256
<b>Fund Balance - Beginning of the Year</b>	<u>322,840</u>	<u>488,110</u>	<u>488,110</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 666</u>	<u>\$ 326,456</u>	<u>\$ 508,712</u>	<u>\$ 182,256</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Special Revenue Fund**  
**Student Activity Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Tuition and fees	\$ 1,500,000	\$ 1,500,000	\$ 988,335	\$ (511,665)
<b>Total Revenues</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>988,335</u>	<u>(511,665)</u>
<b>Expenditures:</b>				
Direct instruction	1,500,000	1,500,000	1,034,457	465,543
<b>Total Expenditures</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,034,457</u>	<u>465,543</u>
<b>Net Change in Fund Balance</b>	-	-	(46,122)	(46,122)
<b>Fund Balance - Beginning of the Year</b>	<u>684,766</u>	<u>622,764</u>	<u>622,764</u>	-
<b>Fund Balance - End of the Year</b>	<u>\$ 684,766</u>	<u>\$ 622,764</u>	<u>\$ 576,642</u>	<u>\$ (46,122)</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Federal sources	\$ -	\$ 60,744	\$ 60,744	\$ -
Interest income	1,500	1,500	2,997	1,497
Other revenue	2,136,854	2,136,870	2,136,854	(16)
<b>Total Revenues</b>	<u>2,138,354</u>	<u>2,199,114</u>	<u>2,200,595</u>	<u>1,481</u>
<b>Expenditures:</b>				
Capital Outlay	3,292,788	3,358,718	3,152,127	206,591
<b>Total Expenditures</b>	<u>3,292,788</u>	<u>3,358,718</u>	<u>3,152,127</u>	<u>206,591</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,154,434)</u>	<u>(1,159,604)</u>	<u>(951,532)</u>	<u>208,072</u>
<b>Other Financing Sources (Uses):</b>				
Gain on sale of assets	-	110,000	110,000	-
Transfers in	845,388	845,388	845,388	-
<b>Total Other Financing Sources (Uses)</b>	<u>845,388</u>	<u>955,388</u>	<u>955,388</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(309,046)	(204,216)	3,856	208,072
<b>Fund Balance - Beginning of the Year</b>	<u>309,046</u>	<u>314,216</u>	<u>314,216</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 318,072</u>	<u>\$ 208,072</u>

The accompanying notes are an integral part of this statement.

**STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual**  
**Internal Service Fund**  
**Insurance Internal Service Fund**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Insurance premiums	\$ 5,116,279	\$ 5,130,279	\$ 5,129,678	\$ (601)
Stop loss reimbursements	-	-	148,841	148,841
Other revenue	300,000	279,000	82,478	(196,522)
Interest income	1,000	8,000	22,682	14,682
<b>Total Revenues</b>	<u>5,417,279</u>	<u>5,417,279</u>	<u>5,383,679</u>	<u>(33,600)</u>
<b>Expenses:</b>				
Insurance claims	4,040,999	4,240,999	4,588,425	(347,426)
Administration fees	1,376,280	1,176,280	752,334	423,946
<b>Total Expenses</b>	<u>5,417,279</u>	<u>5,417,279</u>	<u>5,340,759</u>	<u>76,520</u>
<b>Change in Net Position</b>	-	-	42,920	42,920
<b>Net Position - Beginning of the Year</b>	<u>1,349,493</u>	<u>1,378,997</u>	<u>1,378,997</u>	-
<b>Net Position - End of the Year</b>	<u>\$ 1,349,493</u>	<u>\$ 1,378,997</u>	<u>\$ 1,421,917</u>	<u>\$ 42,920</u>

The accompanying notes are an integral part of this statement.



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2770 - Steamboat Springs RE-2  
 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
<b>Governmental</b>						
10 General Fund	9,055,205		44,458,440	43,451,898		10,061,747
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>9,055,205</b>		<b>44,458,440</b>	<b>43,451,898</b>		<b>10,061,747</b>
11 Charter School Fund	616,837		2,029,244	2,120,708		525,373
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	488,110		918,911	898,309		508,712
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	622,764		988,335	1,034,457		576,642
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	7,283,325		9,634,647	9,533,007		7,364,964
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	9,031,160		138,542	8,171,948		997,754
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	314,216		3,155,983	3,152,127		318,072
46 Supplemental Cap Const, Tech, Main Fund	2,988,176		1,316,647	918,837		3,385,986
<b>Totals</b>	<b>30,379,793</b>		<b>62,640,748</b>	<b>69,281,291</b>		<b>23,739,250</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	1,378,997		359,247	316,327		1,421,917
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>1,378,997</b>		<b>359,247</b>	<b>316,327</b>		<b>1,421,917</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

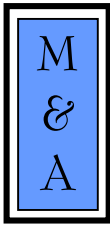
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Steamboat Springs School District RE-2

Reports and Schedules for Reporting Requirements  
Of Uniform Guidance



STEAMBOAT SPRINGS  
SCHOOL DISTRICT



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Education  
Steamboat Springs School District RE-2  
Steamboat Springs, CO**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Steamboat Springs School District RE-2 (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2023.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion of the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Member: American Institute of Certified Public Accountants*

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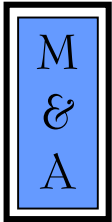
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**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Steamboat Springs School District RE-2**  
**Steamboat Springs, CO**

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McMahan and Associates, L.L.C.*  
**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**December 14, 2023**



# MCMAHAN AND ASSOCIATES, L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Education  
Steamboat Springs School District RE-2  
Steamboat Springs, CO**

### ***Report on Compliance for Each Major Program***

We have audited the compliance of the Steamboat Springs School District RE-2 (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

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**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Steamboat Springs School District RE-2**  
**Steamboat Springs, CO**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control Over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Steamboat Springs School District RE-2**  
**Steamboat Springs, CO**

***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based in the requirements of Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

*McMahan and Associates, L.L.C.*  
**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**December 14, 2023**

**Steamboat Springs School District RE-2**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

**Part I: Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

*Federal Awards*

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs:	
Education Stabilization Fund	ALN 84.425
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	Yes

**Part II: Findings Related to Financial Statements**

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

**Part III: Findings Related to Federal Awards**

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted

**Steamboat Springs School District RE-2**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

**Note:** There were no findings for the fiscal year ended June 30, 2022.

**SUMMIT SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Grant Project Code	Expenditures	
<b>U.S. Department of Agriculture</b>				
<b>Passed through Colorado Department of Education</b>				
National School Lunch Program	10.555	4555	\$ 221,001	<b>A</b>
COVID-19 Supply Chain Assistance	10.555	6555	33,880	<b>A</b>
SNAP: P-EBT mini Grants	10.649	4649	628	
National School Lunch Equipment Assistance	10.579	5579	60,744	
<b>Passed through Colorado Department of Human Services</b>				
Food Commodities	10.555	4555	58,105	<b>A</b>
<b>Total U.S. Department of Agriculture</b>			<u>374,358</u>	
<b>U.S. Department of Education</b>				
<b>Passed through Colorado Department of Education</b>				
Title I, Part A	84.010	4010	197,156	
Title I, Part A - Reallocation	84.010	5010	42,713	
Title I, Part A - Homeless Set Aside	84.010	9202	50	
<i>Title I, Part A Total</i>			<u>239,919</u>	
Title III, Part A - English Language Acquisition	84.365A	4365	19,910	
Title II, Part A - Teacher and Principal Training and Recruiting	84.367	4367	39,333	
Title IV-A - Student Support and Academic Enrichment	84.424A	4424	15,722	
COVID-19 CARES Act: Higher Education Emergency Relief Fund	84.425P	4441	15,000	
COVID-19 ESSER I CARES 9.5% State Set-Aside, ESSER Rapid Reques	84.425D	4448	10,724	
COVID-19 ESSER II CRSSA 9.5% State Set-Aside, Education Workforce	84.425D	4430	91,725	
COVID-19 ESSER III 90% - LEA Allocation	84.425U	4414	648,885	
COVID-19 ESSER III ARP 9.5% State Set-Aside, Curricula Materials	84.425U	4431	91,800	
COVID-19 ESSER III ARP 9.5% State Set-Aside, Rural Program Developm	84.425D	4432	3,000	
<i>COVID-19 Education Stabilization Fund Total</i>			<u>861,134</u>	
Cooperative Agreement for Emergency Response	93.354	7354	96,825	
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	7323	5,435	
Improving Student Health and Academic Achievement	93.981	7981	1,987	
<b>Total U.S. Department of Education</b>			<u>1,280,265</u>	
<b>U.S. Department of Forest Service</b>				
<b>Passed through Routt County</b>				
Schools and Roads - Grants to States	10.665	7665	112,752	<b>B</b>
<b>Total U.S. Department of Forest Service</b>			<u>112,752</u>	
<b>U.S. Department of Health and Human Services</b>				
<b>Passed through Colorado Department of Education:</b>				
Child Care Assistance Block Grant	93.575	7575	251,724	<b>C</b>
<b>Total U.S. Department of Health and Human Services</b>			<u>251,724</u>	
<b>Total Federal Expenditures</b>			<u>\$ 2,019,099</u>	

**Additional Information for Clusters:**

<b>A</b> Child Nutrition Cluster	\$ 312,986
<b>B</b> Forest Service Schools and Roads Cluster	112,752
<b>C</b> Child Care Development Fund	251,724

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023:**

**Note 1. Basis of Presentation:**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Summit School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

**Note 2. Basis of Determining the Value of Non-Cash Awards Expended:**

Food Commodities: Fair market value of commodities at the time recipient received award and the assessed value provided by the federal agency.

**Note 3. Sub recipients:**

The District did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards received to sub recipients.

**Note 4. Indirect Facilities and Administration Costs:**

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR), Part 200.414 Indirect (F & A) costs.