

**Aspen School District No. 1 (RE)
Aspen, Colorado**

**Financial Statements
June 30, 2024**



**Aspen School District No. 1 (RE)
Financial Statements
June 30, 2024**

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Aspen School District No. 1 (RE)

INTRODUCTORY SECTION





Members of the Board of Education

Citizens of the Aspen School District No. 1 (RE):

The Annual Comprehensive Financial Report (ACFR) of the Aspen School District No. 1 (RE) (the “District”) for the fiscal year ended June 30, 2024, is hereby submitted as required by state statutes. The statutes require the District to issue an annual report on its financial position and activity, and that this report is audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. Included in the report are three distinct component units that provide material financial grants to the District – Aspen Education Foundation, Aspen Community School, and Aspen Public Education Fund. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included in this comprehensive report. This letter of transmittal is designed to complement the “Management’s Discussion and Analysis’ (MD&A). The MD&A can be found in the Financial Section immediately following the independent auditors’ report.

The School District

The Aspen School District No. 1 (RE) boundary encompasses approximately 144 square miles of Pitkin County. The county is approximately 80% publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. It is located in the central mountains of Colorado at an elevation of 7,908 feet. Pitkin County’s current population is estimated at 16,640, and the City of Aspen’s estimated population is 6,612 . Recreation and tourism, real estate and construction dominate the local economic activity of the County.

A board of five members, elected to staggered four-year terms, governs the District. The District provides a full range of educational services, as authorized by Colorado State Statutes, appropriate to grade levels pre-kindergarten through twelfth grade, as well as special programs in vocational education, gifted and talented, International Baccalaureate, special education, information technology, and experiential education. This report includes all of the funds and account groups necessary to support the above services.

In conformance with generally accepted accounting principles (GAAP), this report includes all funds and account groups in which the District has financial accountability, and two distinct component units. Under these guidelines, the Public Employees' Retirement Association of Colorado has not been included. The District entered into a Charter School contract, as authorized by state law, with the Aspen Community School beginning with the 2001-02 school year. This agreement was renewed for a period of five years beginning July 1, 2020. The Aspen Community School provides an alternative educational environment within our district for K-8th grade students. The charter school operates as a separate entity with its own administration and accounting system. The Aspen School District collects per pupil revenues on behalf of the charter school, as provided for in the Colorado School Finance Act, and passes those revenues on to them. The District has included the charter school financial information within this report.

Local Economic Conditions and Outlook

State school district funding in Colorado is dependent primarily upon a state per pupil funding formula. This means that the local economic conditions have minimal impact on overall school district financing. The formula establishes a base per pupil funding amount, and is adjusted for other factors such as the school district size factor and cost of living differentials to determine total per pupil funding. The School District also receives various federal and state grants to fund specific programs. Beginning with the 23-24 school year, the District was funded primarily on local taxes and overrides, with minimal state and federal revenues.

Historically, silver mining and agriculture formed the basis of the local economy. Today, the summer and winter tourist industries of Aspen and Snowmass Village, government/public administration, construction and real estate are the primary economic factors. The county's tourism industry is among the largest and least seasonal of any Colorado county with substantial ski resort facilities.

The assessed valuation for our District, as certified each December 15th, increased dramatically with a recent re-assessment and is now at \$5,353,427,630 for the 23-24 year. Valuations for the 24-25 year are expected to remain flat. Property tax collections have remained strong in large part because in the Aspen School District assessed values are only approximately one-tenth of the actual value. Total tax collections to levy have averaged 99% over the last five years.

Student enrollment has decreased 1.9% during the past year from 1,552 to 1,523 students, but state funding calculation costs are based on a five-year average which is 1,586. Enrollment is expected to increase slightly for the 24-25 year.

Major Initiatives and Accomplishments

Financial

The Aspen School District focuses its work through the policies adopted by the Board of Education and from the school-level accountability committees that help guide decision making and resource allocations. The following were recent key accomplishments of the District.

- For the 2023-24 school year, the District was able to utilize the funding from the Aspen Public Education Fund sales tax revenues and the Snowmass Village Public Education Fund property tax to cover costs for programs, special education, technology, professional development, and recruitment, training and retention. The district continues to evaluate staffing needs through its hiring process to reflect class size and educational needs.

*Stricter financial controls have been put in place and thoughtful budgets have been created. Monthly variance reports are in place to monitor spending. An expense cutting task force has been put in place.

*The District was able to recover from multiple years of spending deficits and has shown a small surplus in the 2023-24 year. This will assist the District in building up fund balance, which has been significantly depleted in recent years.

Educational

The following educational accomplishments were met during the 2023-24 fiscal year:

- The District made strides towards full International Baccalaureate (IB) authorization by securing authorization for Primary Years Programme (PYP)
- All three schools were in the top 25% in Colorado
- Aspen High School graduation rate for 2023-24 was approximately 97%.

Planning for the Future

Financial

The following objectives are priorities during fiscal year 2024-25:

- The Business Office will refine a set of systems and processes to align with the current District Strategic Plan
- Budget meetings and monitoring with internal stakeholders will take place
- Quarterly financial updates will be presented to the Board of Education
- Every effort will be made to develop a continued (small) surplus budget

Educational

Educational projects to be undertaken during fiscal year 2024-25 include:

- The district Math curriculum continues to be a focus – with math instructors at all K-12 levels introduced to the Major Work of the Grade as defined by the Common Core, creating a vision and strategies for how their grade contributes to the K-12 program in a unified math curriculum K-12 (Imagine Learning).

*The District Language Arts Curriculum is now fully aligned with Pre-K thru 12

*World Languages, Science and Social Studies are completing a full year's review and renewal process. We are also adding PE, the Arts and design this year.

*The District hopes to continue the IB journey by being the continuum district, and the first complete IB district in Colorado.

- The District continues to implement its adopted Strategic Plan focusing on the Profile of a Graduate as a capstone distinction. Additional goals include Stewards of Resources with a budget aligned to District Education Goals.

- Reforming and improving our Outdoor Education offerings across the District moving them from an isolated experience to an integrated learning environment with teacher leadership driving the process. The ODE program is fully adopting the IB framework and now is part of our formal units of study at all levels.

- Standard Response Protocol (SRP) training: Working closely with Law Enforcement to ensure a safe and secure environment the District has trained all staff, most students and many parents in SRP's as well as cross walked that protocol with a number of technology platforms to ensure a safe as possible campus experience.

- Almost 100 staff members are being continuously trained in IB course offerings and development. The District has three dedicated IB Coordinators in the teaching ranks.

*The District also supports students in taking the IB exams, ensuring that roadblocks to success are eliminated for all students as part of the "IB for all" initiative.

*The District continues to train and develop teacher capacity and efficacy for technology platforms like Toddle (incorporating AI), Performance Matters, along with new math and literacy intervention tools.

*The District has a monthly K-12 vertical professional development opportunity of all eight core subjects (and the ESS Department) to align the Written-Taught-Assessed curriculum and intervention.

Budgetary and Accounting Controls

The Board maintains a system of budgetary and accounting controls designed to assist management in meeting its responsibility for reporting financial information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. The District believes that the existing systems of budgetary and accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The District utilizes a budget that is prepared according to the guidelines and requirements set forth in State law and the Colorado Department of Education Financial Policies and Procedures Manual.

The District specifically maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget. The budget is prepared in accordance with GAAP, approved by the Board of Education, and includes the activities of the General Fund, Colorado Universal Preschool Program, Capital Reserve, Debt Service, Capital Projects and Special Revenue Funds. The Housing Fund is budgeted on a modified accrual basis but follows full accrual processes for GAAP. The level of budgetary control for management purposes (that is the level at which expenditures cannot exceed the appropriated amount by Board policy) is established by function and activity within a fund. All expenditures must be authorized and approved by an administrator.

Cash Management

The District attempts to maximize investment earnings on cash temporarily not required for operations. This is accomplished by maintaining all District funds in interest bearing accounts, purchasing U.S. Treasury funds and U.S. Treasury bills where appropriate.

Risk Management

The District participates in the Colorado School District's Self Insurance Pool with many other Colorado districts. The pool insures property and liability exposures through contributions made by member districts. The School District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses, through the General Fund. The District is self-insured for unemployment compensation and has a \$10,000 deductible for property insurance. Participation in the pool has allowed us to experience more stable coverage and premiums than we could obtain in the open market. The District does not maintain an equity interest in the Self Insurance Pool.

Independent Audit

As required by Colorado State Law, an annual audit of the financial records of the Aspen School District has been made by independent certified public accountants. The report of our independent certified public accountants, McMahan and Associates, LLC., appears at the beginning of the financial section of this report. Their audit of the basic financial statements was performed in accordance with the auditing standards generally accepted by the United States of America, and Government Auditing Standards, issued by the comptroller General of the United States, which includes a review of the Board's system of budgetary and accounting controls.

Acknowledgments

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of all members of the Finance Department. We also would like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

Respectfully submitted,

Mary Rodino

Assistant Superintendent of
Business and Operations

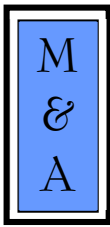
Tharyn Mulberry

Superintendent of Schools

Aspen School District No. 1 (RE)

FINANCIAL SECTION





MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Aspen School District No. 1 (RE)
Aspen, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of Aspen School District No. 1 (RE), Colorado (the "District"), as of and for the year ended June 30, 2024, 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 business-type activities, the aggregate discretely presented component units and each major fund of the District as of June 30, 2024, 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.

We did not audit the financial statements of Aspen Education Foundation, which represent 25 percent, 33 percent and 27 percent, respectively, of the assets/deferred outflows, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Aspen Education Foundation, is based solely on the report of other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Aspen School District No. 1 (RE)**

Emphasis of Matter

As discussed in Note V.E. to the financial statements, the District restated governmental net position and capital project fund balance. Our opinion is not modified with respect to this matter.

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.

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.

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Aspen School District No. 1 (RE)

Required Supplementary Information

U.S. GAAP require Management's Discussion and Analysis, 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, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with 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.

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information 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 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 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, the statistical section, 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.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Aspen School District No. 1 (RE)**

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 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.

**McMahan and Associates, L.L.C.
Avon, Colorado
December 12, 2024**

Aspen School District No. 1 (RE)
Management Discussion and Analysis



**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

As management of the Aspen School District No. 1 RE, Pitkin County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1 - 5 of this report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of fiscal year 2023-2024 by \$33,853,301 and unrestricted net position was (\$44,584,860). The negative net position is due to the District's allocated share of the Colorado Public Employees' Retirement Association (PERA) net pension liability and pension related deferred inflows of \$59.6 million. Additionally, the District also has a net other employment benefit pension ("OPEB") liability and OPEB related deferred inflows of \$1.8 million at June 30, 2024.
- Governmental activities have a net position (both restricted and unrestricted) of (\$18,773,966) at June 30, 2024. The net position is composed of the following:

Net investment in capital assets	\$15,951,317
Restricted Funds for:	
TABOR Emergency	\$1,785,000
Debt Service	\$8,074,577
Unrestricted Funds-PERA portion	\$(59,638,384)
Unrestricted Funds-OPEB portion	\$(1,819,426)
Unrestricted Funds-non PERA/OPEB portion	<u>\$16,872,950</u>
	\$(18,773,966)

- The District's governmental activities' liabilities at June 30, 2024 were \$182,451,556, an increase of \$8,039,107 compared to \$174,412,449 at June 30, 2023. Of this increase, \$12,054,347 is the increase in PERA net pension liability and \$154,174 is the decrease in the OPEB liability. The non-PERA/OPEB related change in liabilities is a decrease of \$3,861,066.
- During fiscal year 2023-2024, the fund balance of the District's governmental funds decreased by (\$16,002,394) resulting in an ending fund balance of \$33,746,903 .
- At June 30, 2024, the general fund has a net fund balance surplus of \$2,429,007 . This figure is net of the accounting treatment for accrued salaries and benefits and other accrued expenses.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 20 - 69 are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the Aspen School District's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position, the statement of activities and the comparative statement of activities.

The *Statement of Net Position* presents information about all of the District's assets and liabilities. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). The two categories reported in the District-wide financial statements are as follows:

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services and student activities. Such services include activities relating to building construction and maintenance, technology and administration. Governmental activities include the general fund, debt service fund, capital reserve fund, building fund, Aspen educational fund and the non-major funds.
- **Business-type activities:** District housing is included under this heading.

The government-wide financial statements can be found on pages 20 - 21 of this report.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include three possible fund types. The fund types presented here are governmental funds and proprietary funds.

Governmental funds – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and equivalents that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the government fund statements provide a detailed short term view that helps determine whether there are more or fewer financial resources that can be spent in

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as reported on the District's government-wide statements.

The District maintains five different governmental funds. These funds are the general fund (which includes the Colorado preschool fund, the local option fund and the November 2001 election fund), the capital reserve fund, the building fund, the debt service fund, the educational fund and the non-major funds. They are presented separately in the fund financial statements.

Proprietary funds - The District maintains a proprietary fund which is an enterprise fund. Enterprise 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 housing operations. 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 housing fund which is considered to be a major fund of the District.

The basic fund financial statements can be found on pages 22 - 30 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on page 31 - 69 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents other supplemental information concerning the District that is required as part of the Colorado Public School Finance Act. The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the fund financial statements to demonstrate compliance with the adopted budget. Budgetary comparison schedules for all of the District's funds can be found on pages 70 – 86 of this report. The additional schedules required as part of the compliance with Colorado Public School Finance Act can be found on page 87 - 95 of this report.

Government-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash and investments, property tax receivable and accounts receivable are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives approximately 85% of the annual property tax assessment in March to June time period.

Restricted cash and investments include those funds dedicated to TABOR reserves, capital reserve, capital projects and debt service. Capital assets are used in the operations of the District. These assets are land, buildings, improvements, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Long-Term Debt, elsewhere in this analysis.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and the current portion of debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2024-2025. Non-current liabilities are long-term debt obligations that will be liquidated from resources that will become available after fiscal year 2024-2025.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities of the governmental activities exceed assets by (\$18,773,966) with a negative unrestricted balance of (\$44,584,860). If we exclude the impacts of the PERA pension liability and the OPEB liability along with related deferred inflows, the unrestricted balance is \$16,872,950.

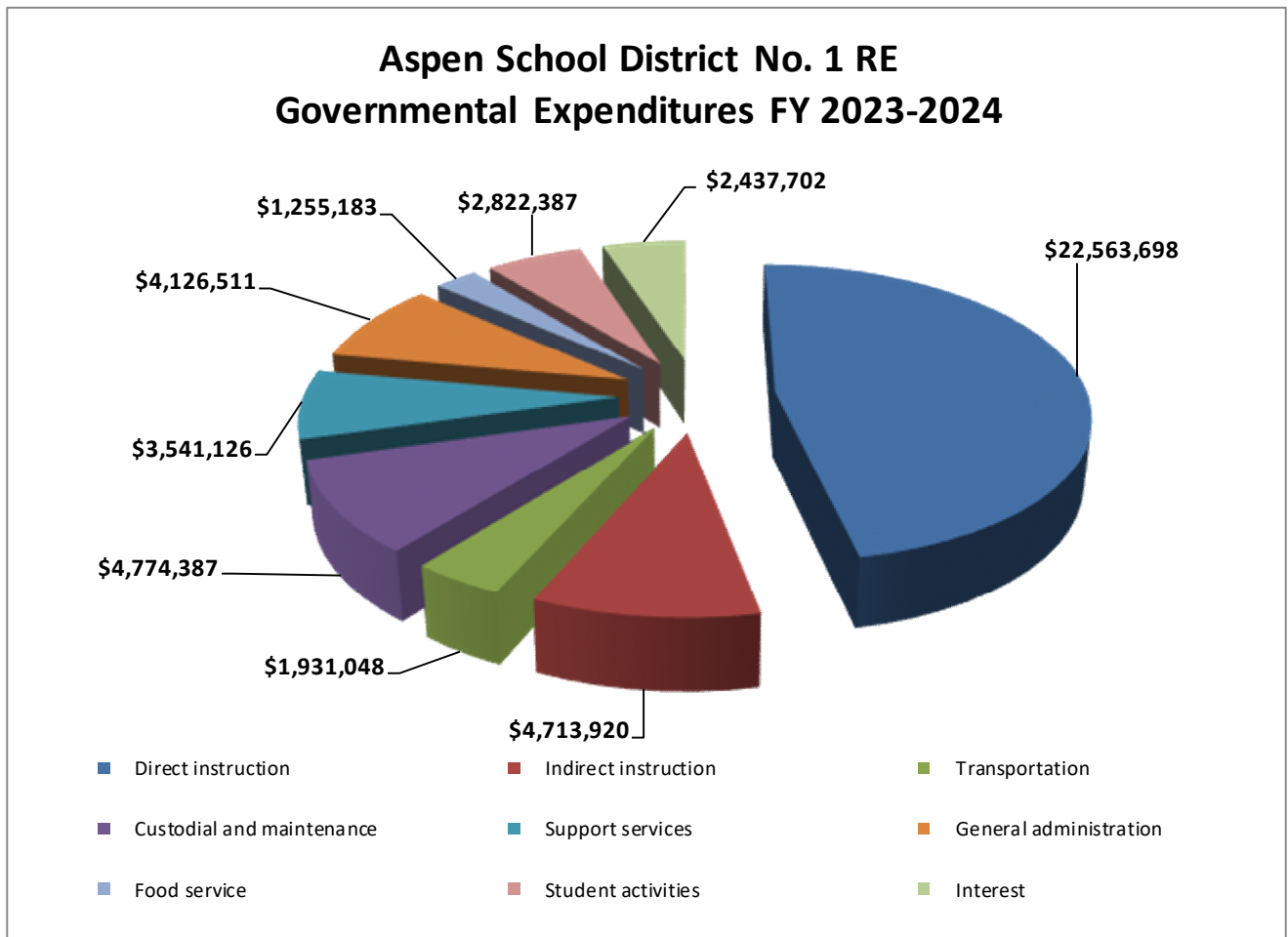
	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Assets:		(as restated)				
Current and other assets	\$ 83,834,596	\$ 55,880,015	\$ 449,512	\$ 228,604	\$ 84,284,108	\$ 56,108,619
Capital assets	67,213,142	96,410,556	52,430,682	50,426,266	119,643,824	146,836,822
Total Assets	151,047,738	152,290,571	52,880,194	50,654,870	203,927,932	202,945,441
Deferred Outflow s of Resources:						
OPEB related deferred outflow s	252,550	273,101	-	-	252,550	273,101
Pension related deferred outflow	17,074,877	10,502,841	-	-	17,074,877	10,502,841
Total deferred outflow s of resources	17,327,427	10,775,942	-	-	17,327,427	10,775,942
Liabilities:						
Current and other liabilities	14,544,037	5,889,209	175,316	132,311	14,719,353	6,021,520
Long-term liabilities	167,907,519	169,285,233	-	-	167,907,519	169,285,233
Total Liabilities	182,451,556	175,174,442	175,316	132,311	182,626,872	175,306,753
Deferred Inflow s of Resources:						
Property tax revenue	1,572,494	-	77,611	-	1,650,105	-
OPEB related deferred inflow s	444,134	563,592	-	-	444,134	563,592
Pension related deferred inflow	2,680,947	6,202,350	-	-	2,680,947	6,202,350
Total deferred inflow s of resources	4,697,575	6,765,942	77,611	-	4,775,186	6,765,942
Net Position:						
Net investment in capital assets	15,951,317	13,279,648	52,430,682	50,426,266	68,381,999	63,705,914
Restricted for:						
TABOR emergency	1,785,000	1,013,028	-	-	1,785,000	1,013,028
Debt service	8,074,577	7,988,561	-	-	8,074,577	7,988,561
Unrestricted	(44,584,860)	(41,155,108)	196,585	96,293	(44,388,275)	(41,058,815)
Total Net Position	\$ (18,773,966)	\$ (18,873,871)	\$ 52,627,267	\$ 50,522,559	\$ 33,853,301	\$ 31,648,688

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

The District is reporting a positive balance in net investment in capital assets of \$68,381,999 representing land, improvements, buildings, equipment, and vehicles to provide services to the District's 1,554 public school students, net of related debt. Net position of \$8,074,577 accumulated from voter approved bonded debt mill levy assessments have been restricted to provide resources to meet the current general obligation bond principal and related interest payments. The legally required TABOR reserve of \$1,785,000 is also restricted. Unrestricted net position is (\$44,388,275). If we exclude the impacts of the PERA pension liability and the OPEB liability along with related deferred inflows, the unrestricted net position would be \$17,069,535.



**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Governmental Activities

Revenues from governmental activities were \$52,522,074 while total expenses, including transfers out, amounted to \$52,422,169. Governmental activities experienced a \$99,905 increase in the net position of the District during the fiscal year ended June 30, 2024, compared to a decrease in net position of \$27,495,716 in fiscal year 2023.

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023 (as restated)	FY 2024	FY 2023	FY 2024	FY 2023
Revenues:						
<i>Program revenues</i>						
Charges for services	\$ 8,579,443	\$ 2,106,026	\$ 1,639,166	\$ 1,084,235	\$ 10,218,609	\$ 3,190,261
Operating grants and contributions	2,926,925	9,294,218	12,981	-	2,939,906	9,294,218
Capital grants and contributions	74,280	48,417	-	-	74,280	48,417
<i>General revenues</i>						
Property taxes	35,480,101	30,409,692	-	-	35,480,101	30,409,692
Specific ownership taxes	1,107,978	1,101,352	-	-	1,107,978	1,101,352
State revenue	61,635	4,211,023	-	-	61,635	4,211,023
Grants and contributions not restricted	2,345,589	880,889	-	-	2,345,589	880,889
Investment earnings	1,946,123	2,429,122	178	-	1,946,301	2,429,122
Other	-	2,120,391	-	15,197	-	2,135,588
Total revenues	52,522,074	52,601,130	1,652,325	1,099,432	54,174,399	53,700,562
Expenditures:						
Direct Instruction	22,590,775	25,137,022	-	-	22,590,775	25,137,022
Indirect Instruction	4,713,920	4,283,212	-	-	4,713,920	4,283,212
Transportation	1,932,593	1,559,830	-	-	1,932,593	1,559,830
Custodial maintenance	4,774,387	4,762,749	-	-	4,774,387	4,762,749
Support services	3,541,126	3,635,776	-	-	3,541,126	3,635,776
General administration	4,126,511	3,359,920	-	-	4,126,511	3,359,920
Community service	136,436	-	-	-	136,436	-
Student activities	2,822,387	2,133,774	-	-	2,822,387	2,133,774
Interest	2,437,702	2,457,044	-	-	2,437,702	2,457,044
Food service	1,255,183	1,057,110	-	-	1,255,183	1,057,110
Employee housing	-	-	3,638,766	3,017,086	3,638,766	3,017,086
Total Expenses	48,331,020	48,386,437	3,638,766	3,017,086	51,969,786	51,403,523
Change in net position	4,191,054	4,214,693	(1,986,441)	(1,917,654)	2,204,613	2,297,039
Transfers	(4,091,149)	(31,710,409)	4,091,149	31,710,409	-	-
Change in net position after transfers	99,905	(27,495,716)	2,104,708	29,792,755	2,204,613	2,297,039
Net position-July 1 (as restated)	(18,873,871)	8,621,845	50,522,559	20,729,804	31,648,688	29,351,649
Net position-June 30	\$ (18,773,966)	\$ (18,873,871)	\$ 52,627,267	\$ 50,522,559	\$ 33,853,301	\$ 31,648,688

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

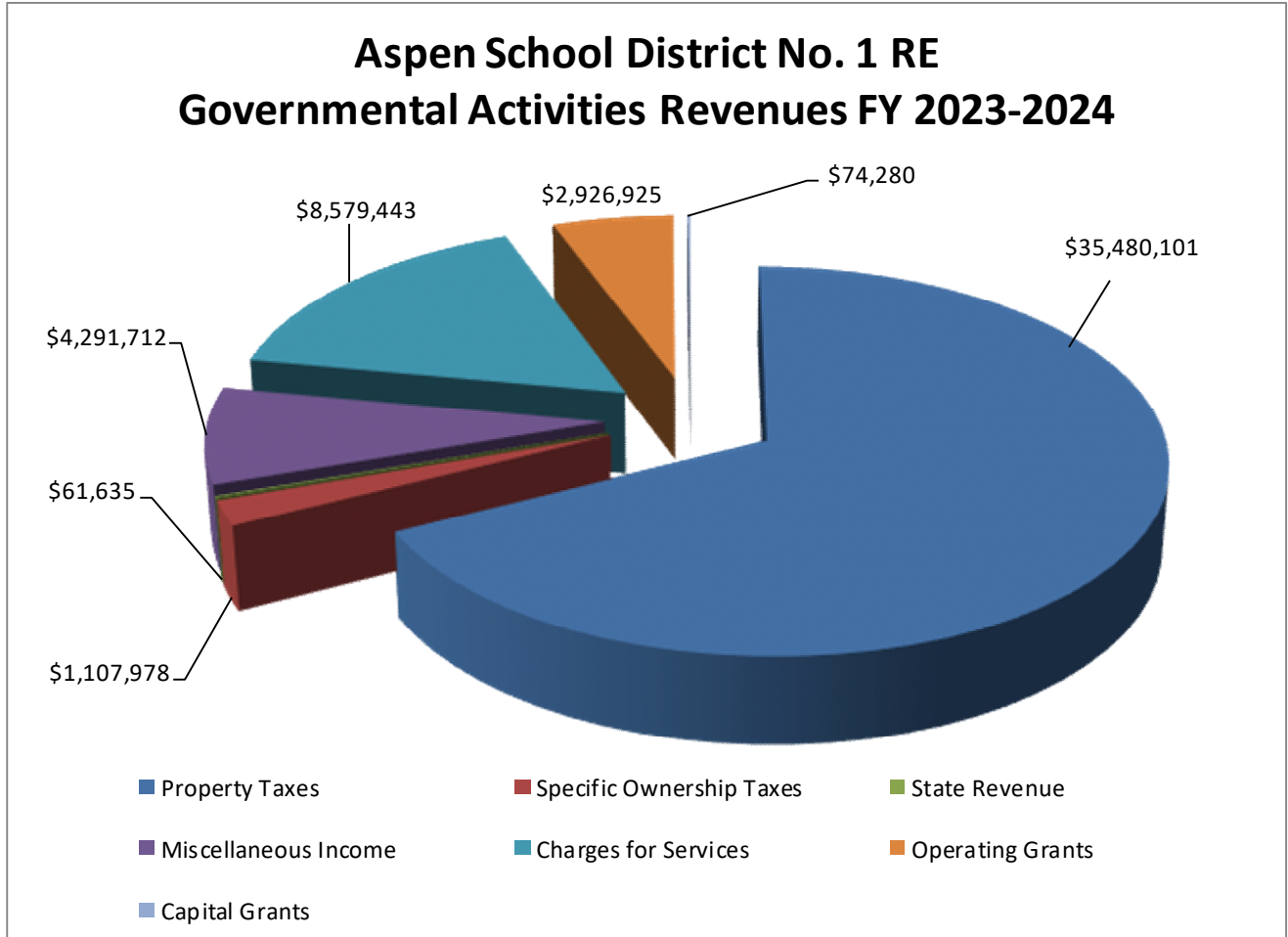
Key elements of the increase in net position for governmental activities are as follows:

- The vast majority of the District's operating revenues are controlled by the State of Colorado and are based on an annually adjusted formula that is part of the Colorado School Finance Act. Beginning with FY 22-23, the State determined that the District would be locally funded. This occurs when local resources (property taxes) are large enough to support the funding needs as determined by the state. For the past several years, the funding formula has produced modest increases in revenues, but the District stands to lose funding under the State's newly proposed changes to the funding formula.
- Property tax revenue was \$35,480,101 in FY 23-24 compared to \$30,406,692 in FY 22-23 but this increase in revenue was offset by a decrease in state equalization of \$4,149,388.
- The transfer of capital assets from governmental activities to business-type activities decreased by \$27,619,260 attributing for a large part of the increase in net position in FY23-24.

ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024



Business-Type Activities

Business-type activities include the District's employee housing program. Key elements of business-type activities include:

- The District's housing fund's net position increased by \$2,104,708 due primarily to the transfer of capital assets of \$4,091,149 from governmental activities.

Financial Analysis of Government Funds

The Aspen School District uses fund accounting to ensure and demonstrate compliance with finance related legal, federal and state requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spend able resources. Such information is useful in assessing the District's financial resources. Specifically, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

As of June 30, 2024, the District's governmental funds reported a combined ending fund balance of \$33,746,903, a decrease of \$16,002,394 in comparison with the prior year.

The general fund is the chief operating fund of the District and includes the Colorado preschool fund, the food service fund, the local option fund and the November 2001 election fund. The fund balance in the general fund increased from \$2,054,248 at June 30, 2023, to \$2,429,007 at June 30, 2024.

The ending fund balance in the capital reserve fund decreased by \$16,981,583 to \$22,223,066 in 2024 mainly due to capital outlay expenses of \$19,777,947.

The fund balance in the debt service fund at June 30, 2024 is \$8,074,577, a decrease of \$103,916 from the prior fiscal year. The ending fund balance is necessary to meet interest and principal payments due in December, before new property taxes are assessed in January 2025.

The fund balance in the educational fund at June 30, 2024 is \$1,688,992, an increase of \$1,379,388 from the prior fiscal year.

The non-major funds include the Student Athletics fund and the Aspen Family Connections Fund. The non-major funds had an ending fund balance at June 30, 2024 of (\$668,739), a decrease of \$671,042 from the prior year balance of \$2,303.

Budget Variances in the General Fund

The Aspen School District's budget development process is in compliance with 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.

One of the most important variances to discuss is budgeted versus actual revenues and expenditures in the general fund. Actual revenues and transfers were more than the final budget by \$4,568,208. Actual expenditures and other financing sources and uses were \$3,899,816 more than budgeted. These variances caused an increase in the ending fund balance of the general fund of \$374,759.

The District has prepared a balanced budget for the next fiscal year. This budget reflects a decrease in overall program funding and an increase in property tax income. TABOR restrictions will continue to limit revenues and the corresponding state funding.

Capital Assets and Long-Term Debt

Capital Assets. The District's investment in capital assets, net of accumulated depreciation for its governmental activities as of June 30, 2024 amounts to \$108,559,255. This is an increase of \$12,148,699 from the prior fiscal year.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Capital Assets (net of accumulated depreciation)

Fiscal Year Ended June 30th

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Non-depreciable assets:		(as restated)				
Land	\$ 2,524,133	\$ 2,524,133	\$ 1,024,236	\$ 1,024,236	\$ 3,548,369	\$ 3,548,369
Construction in progress	41,133,623	30,108,860	-	-	41,133,623	30,108,860
Total non-depreciable	43,657,756	32,632,993	1,024,236	1,024,236	44,681,992	33,657,229
Depreciable assets:						
Buildings	117,177,426	113,930,015	62,830,819	58,739,670	180,008,245	172,669,685
Vehicles	4,938,578	5,206,922	-	-	4,938,578	5,206,922
Other equipment	10,422,117	9,609,259	-	-	10,422,117	9,609,259
SBITA assets	212,490	267,090	-	-	212,490	267,090
Total depreciable assets	132,750,611	129,013,286	62,830,819	58,739,670	195,368,940	187,485,866
Less accumulated depreciation/amortization	67,849,112	65,235,723	11,424,373	9,337,640	79,273,485	74,573,363
Book value - depreciable assets	64,901,499	63,777,563	51,406,446	49,402,030	116,307,945	113,179,593
Percentage depreciated	51.1%	50.6%	18.2%	15.9%	40.6%	39.8%
Book value - all assets	\$ 108,559,255	\$ 96,410,556	\$ 52,430,682	\$ 50,426,266	\$ 160,989,937	\$ 146,836,822

Additional information on the District's capital assets can be found in Notes I and IV of this report.

Long-term Debt. As of June 30, 2024, the District had total bonded debt outstanding of \$114,862,527. Additionally, the District also had SBITA liabilities of \$174,085, a financed purchase of \$1,496,826, \$415,110 of compensated absences, net OPEB liability of \$1,375,292 and net pension liability of \$56,957,437.

Additional information on the District's long-term obligations can be found in Note IV.F on pages 45 - 47.

Economic Factors Affecting Financial Condition and Next Year's Budgets

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The state economic picture is important to the district because a major source of funding for the district's General Fund is determined through the state's School Finance Act (SFA), established by the state legislature. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to schools.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Economic Factors Affecting Financial Condition and Next Year's Budgets (continued)

The funded pupil count is an important component of school funding. The SFA identifies a per pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time equivalent students enrolled in a district. Not all students attend school on a full-time basis; the funded pupil count is different from the total enrollment, or pupil membership. The official pupil count occurs each October 1 and results in the funded pupil count.

The budget implications are substantial if projected enrollment is not realized. If an unexpected shortfall in actual enrollment occurs, this information is generally received after the close of the first quarter of the fiscal year and many staffing and program changes cannot be made without significant impacts to students. For this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall.

Requests for Information

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

Mary Rodino
Assistant Superintendent of Business and Operations
Aspen School District No. 1 RE
0235 High School Rd.
Aspen, CO 81611

Aspen School District No. 1 (RE)

Basic Financial Statements



Aspen School District No. 1 (RE)
Statement of Net Position
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
ASSETS				
Cash and investments	\$ 7,090,838	\$ -	\$ 7,090,838	\$ 7,102,742
Accounts, taxes, and other receivables	3,658,655	-	3,658,655	587,271
Due from other governments	395,643	-	395,643	-
Prepaid expenses	126,158	-	126,158	30,759
Internal balances	(449,512)	449,512	-	-
Due from primary government	-	-	-	323,049
Restricted cash and investments	31,666,701	-	31,666,701	2,337,241
Capital assets not being depreciated:				
Land	2,524,133	-	2,524,133	-
Construction in progress	41,133,623	-	41,133,623	29,935
Capital assets being depreciated/amortized:				
Buildings and improvements	117,177,426	63,855,055	181,032,481	11,498,094
Vehicles	4,938,578	-	4,938,578	428,036
Equipment	10,422,117	-	10,422,117	-
SBITAs	212,490	-	212,490	-
Less accumulated depreciation/amortization	(67,849,112)	(11,424,373)	(79,273,485)	(4,230,175)
Total assets	151,047,738	52,880,194	203,927,932	18,106,952
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	-
OPEB related deferred outflows	252,550	-	252,550	33,483
Pension related deferred outflows	17,074,877	-	17,074,877	1,283,947
Total deferred outflows of resources	17,327,427	-	17,327,427	1,317,430
LIABILITIES				
Accounts payable	4,699,068	175,316	4,874,384	51,387
Accrued compensation and other liabilities	1,817,191	-	1,817,191	268,869
Accrued interest payable	330,971	-	330,971	-
Due to component unit	323,049	-	323,049	-
Compensated absences				
Due within one year	207,555	-	207,555	-
Due in more than one year	207,555	-	207,555	-
Bonds payable				
Due within one year	4,120,000	-	4,120,000	-
Due in more than one year	110,742,527	-	110,742,527	-
Financed purchases				
Due within one year	125,758	-	125,758	-
Due in more than one year	1,371,068	-	1,371,068	-
SBITA Liabilities				
Due within one year	43,286	-	43,286	-
Due in more than one year	130,799	-	130,799	-
Net OPEB liability	1,375,292	-	1,375,292	94,799
Net pension liability	56,957,437	-	56,957,437	3,926,054
Total liabilities	182,451,556	175,316	182,626,872	4,341,109
DEFERRED INFLOWS OF RESOURCES				
Grant and contribution revenue	1,572,494	77,611	1,650,105	2,700
OPEB related deferred inflows	444,134	-	444,134	38,534
Pension related deferred inflows	2,680,947	-	2,680,947	84,220
Total deferred inflows of resources	4,697,575	77,611	4,775,186	125,454
NET POSITION				
Net investment in capital assets	15,951,317	52,430,682	68,381,999	7,725,890
Restricted for:				
TABOR	1,785,000	-	1,785,000	96,000
Debt service	8,074,577	-	8,074,577	-
Charter School	-	-	-	47,132
Permanent endowments	-	-	-	2,337,241
Unrestricted	(44,584,860)	196,585	(44,388,275)	4,751,556
Total net position	\$ (18,773,966)	\$ 52,627,267	\$ 33,853,301	\$ 14,957,819

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business Type Activities	Total	
Governmental Activities:								
Current:								
Direct instruction	\$ 22,590,775	\$ 6,467,447	\$ 1,846,878	\$ 54,280	\$ (14,222,170)	\$ -	\$ (14,222,170)	\$ -
Indirect instruction	4,713,920	-	854,435	-	(3,859,485)	-	(3,859,485)	-
Transportation	1,932,593	-	-	-	(1,932,593)	-	(1,932,593)	-
Custodial and maintenance	4,774,387	-	-	20,000	(4,754,387)	-	(4,754,387)	-
Support services	3,541,126	150,169	-	-	(3,390,957)	-	(3,390,957)	-
General administration	4,126,511	-	-	-	(4,126,511)	-	(4,126,511)	-
Community service	136,436	-	-	-	(136,436)	-	(136,436)	-
Food service	1,255,183	874,616	-	-	(380,567)	-	(380,567)	-
Student activities	2,822,387	1,087,211	225,612	-	(1,509,564)	-	(1,509,564)	-
Interest	2,437,702	-	-	-	(2,437,702)	-	(2,437,702)	-
Total governmental activities	<u>48,331,020</u>	<u>8,579,443</u>	<u>2,926,925</u>	<u>74,280</u>	<u>(36,750,372)</u>	<u>-</u>	<u>(36,750,372)</u>	<u>-</u>
Business-type Activities								
Employee housing	3,638,766	1,639,166	12,981	-	-	(1,986,619)	(1,986,619)	-
Total business-type activities	<u>3,638,766</u>	<u>1,639,166</u>	<u>12,981</u>	<u>-</u>	<u>-</u>	<u>(1,986,619)</u>	<u>(1,986,619)</u>	<u>-</u>
Total primary government	<u>\$ 51,969,786</u>	<u>\$ 10,218,609</u>	<u>\$ 2,939,906</u>	<u>\$ 74,280</u>	<u>(36,750,372)</u>	<u>(1,986,619)</u>	<u>(38,736,991)</u>	<u>-</u>
Component Units								
Aspen Community School	3,473,242	220,733	326,867	-	-	-	-	(2,925,642)
Aspen Education Foundation	1,900,770	708,684	1,472,407	-	-	-	-	280,321
Aspen Public Education Fund	3,501,654	-	-	-	-	-	-	(3,501,654)
Total component units	<u>8,875,666</u>	<u>929,417</u>	<u>1,799,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,146,975)</u>
General revenues:								
Taxes:								
Property taxes levied for general purposes					27,540,173	-	27,540,173	2,892,475
Property taxes levied for debt service					7,939,928	-	7,939,928	-
Specific ownership taxes					1,107,978	-	1,107,978	-
Sales taxes					-	-	-	3,747,432
State revenue					61,635	-	61,635	8,062
Grants and contributions not restricted to specific programs					2,345,589	-	2,345,589	-
Interest and investment earnings					1,946,123	178	1,946,301	598,789
Transfers					(4,091,149)	4,091,149	-	-
Total general revenues and transfer					<u>36,850,277</u>	<u>4,091,327</u>	<u>40,941,604</u>	<u>7,246,758</u>
Change in net position					99,905	2,104,708	2,204,613	1,099,783
Net position, beginning (as restated)					(18,873,871)	50,522,559	31,648,688	13,858,036
Net position, ending					<u>\$ (18,773,966)</u>	<u>\$ 52,627,267</u>	<u>\$ 33,853,301</u>	<u>\$ 14,957,819</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Aspen Educational Fund	Non-Major Funds	Total Governmental Funds
ASSETS AND OTHER DEBITS						
Assets:						
Cash and investments	\$ 7,090,838	\$ -	\$ -	\$ -	\$ -	\$ 7,090,838
Restricted cash	-	7,741,201	23,925,500	-	-	31,666,701
Accounts, taxes, and interest receivable	2,241,658	557,238	-	-	-	2,798,896
Prepaid expenses	6,258	-	-	-	119,900	126,158
Other receivable	363,238	-	89,848	-	76,896	529,982
Due from other governments	376,876	-	-	-	18,767	395,643
Due from other funds	181,766	1,458	2,142,054	1,943,629	461,006	4,729,913
Total assets and other debits	<u>10,260,634</u>	<u>8,299,897</u>	<u>26,157,402</u>	<u>1,943,629</u>	<u>676,569</u>	<u>47,338,131</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other current payables	1,491,007	-	3,097,156	254,637	58,555	4,901,355
Accrued expenses	1,609,925	-	-	-	4,980	1,614,905
Due to component unit	323,049	-	-	-	-	323,049
Due to other funds	3,031,309	29,163	837,180	-	1,281,773	5,179,425
Total liabilities	<u>6,455,290</u>	<u>29,163</u>	<u>3,934,336</u>	<u>254,637</u>	<u>1,345,308</u>	<u>12,018,734</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,376,337	196,157	-	-	-	1,572,494
Total deferred inflows of resources	<u>1,376,337</u>	<u>196,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,572,494</u>
Fund balances:						
Non-spendable						
Prepaid expenses	6,258	-	-	-	119,900	126,158
Spendable:						
Restricted	1,785,000	8,074,577	22,223,066	-	-	32,082,643
Committed	245,697	-	-	-	-	245,697
Assigned	-	-	-	1,688,992	495,541	2,184,533
Unassigned	392,052	-	-	-	(1,284,180)	(892,128)
Total fund balances	<u>2,429,007</u>	<u>8,074,577</u>	<u>22,223,066</u>	<u>1,688,992</u>	<u>(668,739)</u>	<u>33,746,903</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,260,634</u>	<u>\$ 8,299,897</u>	<u>\$ 26,157,402</u>	<u>\$ 1,943,629</u>	<u>\$ 676,569</u>	<u>\$ 47,338,131</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Governmental Funds Total Fund Balance		\$ 33,746,903
Add:		
Capital assets, net of depreciation, used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Details of these items are as follows:		
Value of Capital Assets at Cost		176,408,367
Accumulated Depreciation		(67,849,112)
Property taxes and other revenues - Revenues that do not provide current financial resources are unavailable on the governmental fund financial statements but recognized on the government-wide financial statements.		
		329,778
Long-term liabilities, including bonds payable and net pension liability, 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. Details of these items are as follows:		
Accrued Interest Payable		(330,971)
Bonds Payable		(114,862,527)
Financed purchases		(1,496,826)
Subscription-Based IT Arrangements		(174,085)
Accrued Compensated Absences		(415,110)
Net Pension Liability		(56,957,437)
Net OPEB Liability		(1,375,292)
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 plan 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		17,074,877
Unamortized Pension-related Deferred Inflows		(2,680,947)
Unamortized OPEB-related Deferred Outflows		252,550
Unamortized OPEB-related Deferred Inflows		(444,134)
		(444,134)
Governmental Activities Net Position		\$ (18,773,966)

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Aspen Educational Fund	Non-Major Funds	Total Governmental Funds
REVENUES						
Taxes						
Property taxes	\$ 27,793,488	\$ 7,939,928	\$ -	\$ -	\$ -	\$ 35,733,416
Specific ownership taxes	1,107,978	-	-	-	-	1,107,978
State income	864,832	-	-	-	-	864,832
Federal income	1,120,930	-	-	-	-	1,120,930
Investment income	359,615	-	1,586,508	-	-	1,946,123
Other	1,770,891	-	1,764,907	6,277,507	2,070,354	11,883,659
Total revenues	<u>33,017,734</u>	<u>7,939,928</u>	<u>3,351,415</u>	<u>6,277,507</u>	<u>2,070,354</u>	<u>52,656,938</u>
EXPENDITURES						
Current:						
Direct instruction	18,549,186	-	11,690	591,677	-	19,152,553
Indirect instruction	3,269,496	-	-	10,381	666,298	3,946,175
Transportation	1,480,448	-	-	-	-	1,480,448
Custodial and maintenance	4,319,372	-	208,715	-	19,030	4,547,117
Support services	3,077,670	-	90,945	-	3,325	3,171,940
General administration	3,629,532	-	-	322,073	-	3,951,605
Community service	41,604	-	-	-	94,832	136,436
Food service	1,169,327	-	71,870	-	-	1,241,197
Student activities	-	-	-	-	2,822,387	2,822,387
Debt Service:						
Principal	41,179	3,990,000	116,860	-	-	4,148,039
Interest	9,828	4,038,050	54,971	-	-	4,102,849
Cash management fees	-	15,794	-	-	-	15,794
Capital outlay	164,845	-	19,777,947	-	-	19,942,792
Total expenditures	<u>35,752,487</u>	<u>8,043,844</u>	<u>20,332,998</u>	<u>924,131</u>	<u>3,605,872</u>	<u>68,659,332</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,734,753)</u>	<u>(103,916)</u>	<u>(16,981,583)</u>	<u>5,353,376</u>	<u>(1,535,518)</u>	<u>(16,002,394)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,657,000	-	-	-	764,476	4,421,476
Transfers (out)	(547,488)	-	-	(3,973,988)	100,000	(4,421,476)
Total other financing sources (uses)	<u>3,109,512</u>	<u>-</u>	<u>-</u>	<u>(3,973,988)</u>	<u>864,476</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	374,759	(103,916)	(16,981,583)	1,379,388	(671,042)	(16,002,394)
FUND BALANCES, BEGINNING (AS RESTATED)	2,054,248	8,178,493	39,204,649	309,604	2,303	49,749,297
FUND BALANCES, ENDING	<u>\$ 2,429,007</u>	<u>\$ 8,074,577</u>	<u>\$ 22,223,066</u>	<u>\$ 1,688,992</u>	<u>\$ (668,739)</u>	<u>\$ 33,746,903</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Reconciliation of Changes in Fund Balances (Deficit)
to Changes in Net Position
June 30, 2024

Governmental Funds Changes in Fund Balances	\$ (16,002,394)
 Add:	
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. The following are the details of the amount by which capital outlay exceeded depreciation during the year:	
Capital outlay capitalized	15,858,323
Depreciation/amortization expense	(3,631,972)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items at the time of debt issuance, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items are as follows:	
Principal repayments	4,148,039
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
	(253,315)
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Details of these items are as follow:	
Change in accrued compensated absences	101,555
Change in accrued interest	11,067
Amortization of debt-related deferrals	1,654,080
Difference between employer contributions to pension plan and change in pension liability and amortization of pension-related deferrals	(1,960,908)
Difference between employer contributions to OPEB and change in OPEB liability and amortization of OPEB-related deferrals	253,082
	99,905
Governmental Activities Change in Net Position	\$ 99,905

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Net Position
Proprietary Funds
June 30, 2024

	District Housing Fund
ASSETS	
Current assets:	
Due (to) from other funds	\$ 449,512
Total current assets	449,512
Non-current assets:	
Capital assets:	
Buildings	63,855,055
Less accumulated depreciation	(11,424,373)
Total non-current assets	52,430,682
Total assets	52,880,194
LIABILITIES	
Current liabilities:	
Accounts and deposits payable	175,316
Deferred revenues	77,611
Total current liabilities	252,927
Total liabilities	252,927
NET POSITION	
Net investment in capital assets	52,430,682
Unrestricted	196,585
Total net position	\$ 52,627,267

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	District Housing Fund
OPERATING REVENUES	
Charges for services	\$ 1,639,166
Other income	12,981
Total operating revenues	1,652,147
OPERATING EXPENSES	
Purchased property services	683,735
Purchased professional and technical services	5,144
Employee benefits	77,937
Salaries	214,837
Purchased services	196,067
Operating supplies	374,314
Depreciation	2,086,732
Total operating expenses	3,638,766
INCOME (LOSS) FROM OPERATIONS	(1,986,619)
NONOPERATING REVENUES (EXPENSES)	
Investment income (loss)	178
Total non-operating revenues (expenses)	178
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,986,441)
Capital contributions	4,091,149
CHANGE IN NET POSITION	2,104,708
TOTAL NET POSITION - BEGINNING	50,522,559
TOTAL NET POSITION - ENDING	\$ 52,627,267

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	District Housing Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 1,639,166
Other cash receipts	90,594
Payments to vendors	(1,509,030)
Net cash provided (used) for operating activities	220,730
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers (out)	(224,459)
Net cash provided (used) by noncapital financing activities	(224,459)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash received from investment income	178
Net cash provided (used) by investing activities	178
NET INCREASE (DECREASE) IN CASH	(3,551)
Cash and Cash Equivalents - July 1	3,551
Cash and Cash Equivalents - June 30	-
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:	
Operating income (loss)	(1,986,619)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,086,732
Changes in assets and liabilities related to operations:	
Increase (decrease) in accounts payable	43,006
Increase (decrease) in deferred revenues	77,611
Total adjustments	2,207,349
Net cash provided (used) for operating activities	\$ 220,730
Schedule of Noncash Transactions:	
Contribution of assets, net of related debt	4,091,149
Total noncash investing, capital and financing activities	\$ 4,091,149

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2024

	Aspen Community School	Aspen Education Foundation	Aspen Public Education Fund	Total
ASSETS				
Cash and investments	\$ 2,931,283	\$ 2,531,515	\$ 1,639,944	\$ 7,102,742
Accounts, taxes, and other receivables	6,885	-	580,386	587,271
Prepaid expenses	30,759	-	-	30,759
Due from primary government	323,049	-	-	323,049
Restricted cash and investments	-	2,337,241	-	2,337,241
Capital assets not being depreciated:				
Construction in progress	29,935	-	-	29,935
Capital assets being depreciated:				
Buildings and improvements	11,498,094	-	-	11,498,094
Furniture, fixtures and equipment	428,036	-	-	428,036
Less accumulated depreciation	(4,230,175)	-	-	(4,230,175)
Total assets	<u>11,017,866</u>	<u>4,868,756</u>	<u>2,220,330</u>	<u>18,106,952</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related deferred outflows	33,483	-	-	33,483
Pension related deferred outflows	1,283,947	-	-	1,283,947
Total deferred outflows of resources	<u>1,317,430</u>	<u>-</u>	<u>-</u>	<u>1,317,430</u>
LIABILITIES				
Accounts payable	51,098	289	-	51,387
Accrued compensation and other liabilities	268,869	-	-	268,869
Net OPEB liability	94,799	-	-	94,799
Net pension liability	3,926,054	-	-	3,926,054
Total liabilities	<u>4,340,820</u>	<u>289</u>	<u>-</u>	<u>4,341,109</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant and contribution revenue	2,700	-	-	2,700
OPEB related deferred inflows	38,534	-	-	38,534
Pension related deferred inflows	84,220	-	-	84,220
Total deferred inflows of resources	<u>125,454</u>	<u>-</u>	<u>-</u>	<u>125,454</u>
NET POSITION				
Net investment in capital assets	7,725,890	-	-	7,725,890
Restricted for:				
TABOR	96,000	-	-	96,000
Charter School	47,132	-	-	47,132
Permanent endowments	-	2,337,241	-	2,337,241
Unrestricted	-	2,531,226	2,220,330	4,751,556
Total net position	<u>\$ 7,869,022</u>	<u>\$ 4,868,467</u>	<u>\$ 2,220,330</u>	<u>\$ 14,957,819</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2024

	Aspen Community School	Aspen Education Foundation	Aspen Public Education Fund	Total
PROGRAM REVENUES				
Charges for services	\$ 220,733	\$ 708,684	\$ -	\$ 929,417
Operating grants	326,867	1,472,407	-	1,799,274
Total program revenues	<u>547,600</u>	<u>2,181,091</u>	<u>-</u>	<u>2,728,691</u>
PROGRAM EXPENSES	<u>3,473,242</u>	<u>1,900,770</u>	<u>3,501,654</u>	<u>8,875,666</u>
GENERAL REVENUES				
Taxes:				
Property taxes levied for general purposes	2,892,475	-	-	2,892,475
Sales taxes	-	-	3,747,432	3,747,432
State revenue	8,062	-	-	8,062
Interest and investment earnings	63,063	495,910	39,816	598,789
Total general revenues and transfer	<u>2,963,600</u>	<u>495,910</u>	<u>3,787,248</u>	<u>7,246,758</u>
Change in net position	37,958	776,231	285,594	1,099,783
Net position, beginning	7,831,064	4,092,236	1,934,736	13,858,036
Net position, ending	<u>\$ 7,869,022</u>	<u>\$ 4,868,467</u>	<u>\$ 2,220,330</u>	<u>\$ 14,957,819</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements



Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Aspen School District (the “District”) is organized under Colorado statutes for school districts. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expense/expenditure. The membership of the Board consists of five members elected by the public. The Board has broad control responsibilities including the approval of the annual budget, establishment of a system of accounting and budgetary control, acquisition and disposition of school property, and the establishment, organization and operation of schools. The District is a primary government because it is a special-purpose government that has a separately elected governing board and is fiscally independent of other state or local governments. The accompanying financial statements present the District and its discretely presented component units, entities for which the District is considered to be financially accountable.

Discretely Presented Component Units

Aspen Community School:

The State of Colorado Legislature in 1993 enacted the “Charter School Act – Colorado Revised Statutes (CRS) Section 22-30-101.” This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as “Charter Schools.” Charter Schools are financed from a portion of the District’s School Finance Act Revenues and from revenues generated by the Charter Schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the District must approve all Charter School applications and budgets. Therefore, the Aspen Community School is included in the District’s reporting entity because of the nature and significance of their operational or financial relationships with the District. Complete financial statements can be obtained by contacting Compass...for lifelong discovery, P.O. Box 336, 1199 Woody Creek Rd., Woody Creek, Colorado 81656.

Aspen Education Foundation:

The Aspen Education Foundation (“AEF”) is a Colorado nonprofit organization dedicated to supporting Aspen School District by raising funds from the community. AEF is included in the District’s reporting entity because of the nature and significance of their organizational or financial relationship with the District. Complete financial statements can be obtained by contacting Aspen Education Foundation, P.O. Box 2200, Aspen, CO 81620.

Aspen Public Education Fund:

The Aspen Public Education Fund (“APEF”) is a Colorado nonprofit organization dedicated to supporting Aspen School District by receiving the three-tenths of one percent (.3%) sales tax approved by the electors of the City of Aspen on November 6, 2012 and disbursing these funds to the Aspen School District for educational purposes. This sales tax was approved to be collected starting January 1, 2013 and ending on December 31, 2016. The sales tax was renewed in 2016 for 5 years, through December 2021. On November 3, 2020, the sales tax was renewed for 5 more years through December 31, 2026. APEF is included in the District’s reporting entity because of the nature and significance of their organizational or financial relationship with the District.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements

1. District-wide Financial Statements

The district-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

2. Fund Financial Statements

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

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. This fund is comprised of the general educational, preschool, local option and 2001 election departments.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Capital Reserve Capital Projects Fund* is used to account for proceeds restricted by outside parties (i.e. land dedication fees), as well as amounts committed by the School Board of the District for expenditures of capital outlay. It excludes 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The District reports the following major proprietary funds:

The *District Housing Fund* accounts for all financial activities associated with the District's employee housing units.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and automotive ownership taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available. Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District follows guidance of the Governmental Accounting Standards Board for preparation of financial statements, including proprietary fund financial statements.

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

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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

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

D. Assets, Liabilities and Net Position or Equity

1. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are allocated to each fund with a pooled cash balance.

2. Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Property Taxes

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

3. Property Taxes (continued)

Property taxes levied in 2023 but not yet collected in 2024 are identified as property taxes receivable at June 30, 2024, and are presented net of an allowance for uncollectible taxes.

4. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

5. Capital Assets

Capital assets, which include property, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest on the construction of capital assets.

Property, vehicles and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	30 to 50 years
Transportation equipment	7 to 13 years
Other equipment	5 to 20 years

6. Subscription-Based Information Technology Arrangements

The District is party to non-cancellable agreements for subscription-based information technology arrangements ("SBITAs"), as further described in Note V.F.4. In such arrangements, the District recognizes right-to-use subscription assets (and corresponding subscription liabilities) with an initial, individual value of \$100,000 or more. Right-to-use subscription assets and subscription liabilities are reported on the Statement of Net Position.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

6. Subscription-Based Information Technology Arrangements (continued)

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments related to subscriptions included how the District determines the following:

Discount Rate: The District uses the interest rate charged by the subscription service provider as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the subscription service provider is not provided, the District uses the most recent borrowing rate.

Subscription Term: The subscription term includes the non-cancellable period of the subscription and extended term(s) that the District is reasonably certain to exercise.

Subscription Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments. The subscription payments are subject to annual CPI adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The District monitors changes in circumstances that would require a re-measurement of its subscriptions and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

8. Defined Benefit Other Post Employment Benefit (“OPEB”) Plan

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

9. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has two items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. Another item is the collective deferred outflows related to the District’s net pension and other post-employment benefit obligations (“OPEB”). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension or OPEB liability in future periods.

Deferred inflows of resources represent an acquisition of net position that applied 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. One item is unavailable revenue. Another item is the collective deferred inflows related to the District’s net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members

See Note IV (H and I) below for discussion on pension and OPEB related deferred outflows and inflows.

10. Compensated Absences

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the district-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

11. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the *Debt Service Fund*. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

12. Bond Premiums, Discounts, and Deferred Amount on Refunding

In the district-wide and proprietary fund financial statements, bond premiums and discounts, as well as the difference between the reacquisition price on refunding debt and the net book value of the old debt, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding.

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 debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

13. Fund Equity

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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

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

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

Due from other funds – governmental fund statements	\$	2,488,573
Due to other funds– governmental fund statements		(1,784,683)
Due to other funds– business-type fund statements		(703,890)
Eliminated governmental activities internal balances	<u>\$</u>	<u>-</u>

B. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. On or about December 1, the Superintendent submits to the Board of Education a five year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31st, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

Colorado Budget Law requires that 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. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information (continued)

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

The District's general fund, the debt service fund, the student athletics fund, the Aspen Family Connections fund and the employee housing fund had expenditures exceeding the budget by \$4,110,251, \$15,794, \$1,227,412, \$113,180 and \$447,020 respectively at June 30, 2024. This may be a violation of Colorado State Statutes.

Budgets are prepared on a GAAP basis for all funds except the General Fund, which recognized revenue and expense for the proportionate share of the State of Colorado's contribution payment to PERA's School Division Trust Fund. The budget for this fund has been adopted on a non-GAAP budget and are reconciled to GAAP below:

	General Fund
Net Change in Fund Balances - Budget Basis	\$ 374,760
Add/(Less):	
Pension direct distribution - Special funding	95,154
Pension expense - Special funding	(95,154)
Net Change in Fund Balances - GAAP Basis	\$ 374,760

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At June 30, 2024, the District had the following recurring fair value measurements:

<u>Investments Measured at Amortized Cost</u>	
CSAFE	\$ 23,872,191

Investments classified in Level 1 are valued using prices quoted in active markets for those investments. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the investments' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published at fair value per share (unit) for each fund.

The District is governed by the deposit and investment limitations of state law. Unrealized losses were \$0, which reflect the change in fair market value of investments. The deposits and investment balances at June 30, 2024, are as follows:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>One to Five Years</u>
<i>Deposits:</i>				
Checking Accounts		\$ 7,144,147	\$ -	\$ -
Cash with Fiscal Agent		7,741,201	-	-
<i>Investments:</i>				
Investment Pools	AAAmmf	23,872,191	23,872,191	-
		<u>\$ 38,757,539</u>	<u>\$ 23,872,191</u>	<u>\$ -</u>

The Investment Pool represents an investment in CSAFE which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investments policy that would further limit its investment choices. At June 30, 2024 only the District's investment in investment pools were subject to ratings.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

The District has restricted cash and investments in the governmental funds as of June 30, 2024 for future debt service of \$7,741,201 and for unspent bond proceeds of \$23,925,500.

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the amount of securities that can be held by counterparties.

B. Accounts and Taxes Receivable

Receivable at June 30, 2024 for the District's individual major funds and nonmajor, internal service, and fiduciary fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			
	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Non-major Funds
Receivables:				
Taxes	\$ 2,241,658	\$ 557,238	\$ -	\$ -
Accounts	-	-	-	-
Other	421,647	-	-	20,417
Intergovernmental	318,467	-	89,848	75,246
Gross receivables	<u>2,981,772</u>	<u>557,238</u>	<u>89,848</u>	<u>95,663</u>
Less: allowance for uncollectible	-	-	-	-
Net Receivables	<u><u>\$ 2,981,772</u></u>	<u><u>\$ 557,238</u></u>	<u><u>\$ 89,848</u></u>	<u><u>\$ 95,663</u></u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Governmental Activities: Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>(as restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 30,108,860	\$ 13,611,930	\$ (2,587,167)	\$ 41,133,623
Land	2,524,133	-	-	2,524,133
Total capital assets, not being depreciated	<u>32,632,993</u>	<u>13,611,930</u>	<u>(2,587,167)</u>	<u>43,657,756</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	113,930,015	3,381,748	(134,337)	117,177,426
Transportation equipment	5,206,922	192,938	(461,282)	4,938,578
Other equipment	9,609,259	1,258,874	(446,016)	10,422,117
SBITA assets	267,090	-	(54,600)	212,490
Total capital assets being depreciated/amortized	<u>129,013,286</u>	<u>4,833,560</u>	<u>(1,096,235)</u>	<u>132,750,611</u>
Total capital assets - Cost	<u>161,646,279</u>	<u>18,445,490</u>	<u>(3,683,402)</u>	<u>176,408,367</u>
Less: accumulated depreciation/amortization for:				
Buildings and improvements	(53,798,732)	(2,667,617)	68,273	(56,398,076)
Transportation equipment	(3,643,292)	(290,807)	461,282	(3,472,817)
Other equipment	(7,745,157)	(614,367)	434,428	(7,925,096)
SBITA assets	(48,542)	(59,181)	54,600	(53,123)
Total accumulated depreciation/amortization	<u>(65,235,723)</u>	<u>(3,631,972)</u>	<u>1,018,583</u>	<u>(67,849,112)</u>

Business-type Activities: A summary of changes in the Business-type Activities capital assets is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 59,763,906	\$ 4,091,149	\$ -	\$ 63,855,055
Total capital assets being depreciated	<u>59,763,906</u>	<u>4,091,149</u>	<u>-</u>	<u>63,855,055</u>
Less: accumulated depreciation for:				
Equipment	(9,337,640)	(2,086,733)	-	(11,424,373)
Total accumulated depreciation	<u>(9,337,640)</u>	<u>(2,086,733)</u>	<u>-</u>	<u>(11,424,373)</u>
Total capital assets, being depreciated, net	<u>50,426,266</u>	<u>2,004,416</u>	<u>-</u>	<u>52,430,682</u>
Business-type activities capital assets, net	<u>\$ 50,426,266</u>	<u>\$ 2,004,416</u>	<u>\$ -</u>	<u>\$ 52,430,682</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Depreciation expense and capital outlay expense were charged to functions/programs of the primary government as follows:

	Amortization Expense	Capital Outlay
Governmental activities:		
Direct instruction	\$ 2,262,732	13,336,289
Indirect instruction	562,654	1,415,038
Transportation	330,080	192,938
Custodial and maintenance	241,756	-
Support services	212,090	822,667
General administration	22,660	-
Total governmental activities	\$ 3,631,972	\$ 15,766,932
Business-type activities:		
Employee housing	\$ 2,086,733	\$ 4,091,149
Total business-type activities	\$ 2,086,733	\$ 4,091,149

D. Interfund Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the amount of pooled cash attributable to each fund, reported in its entirety in the *general fund*.

The composition of interfund balances as of June 30, 2024, is as follows:

	Due (to)/from Other Funds
General Fund	\$ (2,849,543)
Debt Service Fund	(27,705)
Capital Reserve Capital	
Projects Fund	1,304,874
Non-major Funds	1,122,862
District Housing Fund	449,512
	\$ -

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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers (continued)

For the year ended June 30, 2024, the District made the following transfers:

	Transfer In (out)	Purpose
General Fund	\$ 3,109,512	Supplemental funding
Non-major Funds	(3,109,512)	Supplemental funding
	\$ -	

E. Short-Term Debt

1. State Sponsored Interest-Free Loan Program

During the year ended June 30, 2024, the District borrowed \$15,579,298 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full in May 2024, from property taxes received in 2024.

F. Long-Term Debt

1. General Obligation Bonds

\$7,840,000 Series 2012 General Obligation Refunding Bonds, dated February 28, 2012, were issued to partially refund the Series 2005 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 3.0%. Principal payments are due December 1 until December 2025.

\$9,610,000 Series 2016 General Obligation Refunding Bonds, dated March 9, 2016, were issued to refund the Series 2005 General Obligation Bonds and partially refund the Series 2009 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2028.

\$94,315,000 Series 2021 General Obligation Bonds, dated March 25, 2021, were issued to finance the acquisition, construction, installation and equipping of capital projects. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 3.0% to 5.0%. Principal payments are due December 1 until December 2041.

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

1. General Obligation Bonds (continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,120,000	\$ 3,894,750	\$ 8,014,750
2026	4,275,000	3,737,975	8,012,975
2027	4,435,000	3,551,650	7,986,650
2028	4,650,000	3,333,550	7,983,550
2029	4,870,000	3,104,925	7,974,925
2030 - 2034	28,035,000	12,430,150	40,465,150
2035 - 2039	33,875,000	6,011,950	39,886,950
2040 - 2041	15,260,000	616,400	15,876,400
Total	<u>\$ 99,520,000</u>	<u>\$ 36,681,350</u>	<u>\$ 136,201,350</u>

2. Compensated Absences

The District's policy is to pay out accrued vacation upon termination at the employee's rate of pay. This liability along with the related employment taxes and benefits has been accrued on the District's government wide financial statement. Payments which are anticipated to be paid out from current available resources are accrued on the District's funds.

3. Financed Purchase

On March 13, 2018, the District entered into a financed purchase agreement with All American Investment Group, LLC for an energy performance contract in the amount of \$1,998,368. Principal payments are due quarterly starting on December 16, 2018 until September 16, 2033 and the interest rate is 3.5%. The property secured by the lease is made up of energy improvements.

Annual debt service requirement to maturity for financed purchases is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 125,758	\$ 50,766	\$ 176,524
2026	135,189	46,242	181,431
2027	145,182	41,381	186,563
2028	155,773	36,163	191,936
2029	166,993	30,565	197,558
2030 - 2034	767,931	58,740	826,671
Total	<u>\$ 1,496,826</u>	<u>\$ 263,857</u>	<u>\$ 1,760,683</u>

The net book value of the leased assets is \$1,721,713 as of June 30, 2024.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

V. Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

4. Subscription-Based Information Technology Arrangements (SBITA) Liabilities

The District has entered into subscription-based information technology arrangements with RingCentral and Droplet. The arrangement with Droplet ended in June 2024 and the remaining SBITA arrangement expires in 2028.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$212,490 and \$53,123, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 43,286	\$ 7,721	\$ 51,007
2026	45,500	5,507	51,007
2027	47,828	3,179	51,007
2028	37,471	785	38,256
Total	<u>\$ 174,085</u>	<u>\$ 17,192</u>	<u>\$ 191,277</u>

5. Changes in General Long-Term Liabilities. Long-term liability activity for the year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
Series 2012 Refunding Bonds	\$ 6,610,000	\$ -	\$ (2,135,000)	\$ 4,475,000	\$ 2,200,000
Series 2016 Refunding Bonds	5,230,000	-	(800,000)	4,430,000	820,000
Series 2021 GO Bonds	91,670,000	-	(1,055,000)	90,615,000	1,100,000
Bond premium	17,175,452	-	(1,832,925)	15,342,527	-
Financed purchase	1,613,686	-	(116,860)	1,496,826	125,758
SBITA liabilities	215,264	-	(41,179)	174,085	43,286
Net OPEB liability	1,529,466	-	(154,174)	1,375,292	-
Net pension liability	44,903,090	-	12,054,347	56,957,437	-
Accrued compensated absences	516,665	156,778	(258,333)	415,110	207,555
Total governmental activities	<u>169,463,623</u>	<u>156,778</u>	<u>5,660,877</u>	<u>175,281,277</u>	<u>4,496,599</u>
Total long-term debt	<u>\$ 169,463,623</u>	<u>\$ 156,778</u>	<u>\$ 5,660,877</u>	<u>\$ 175,281,277</u>	<u>\$ 4,496,599</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Fund Balance Disclosure

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.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions 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 Board of Education. The District’s original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Education platform to review, and/or make changes to each department’s budget. The Budget is then formally presented to Board of Education via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Education approval, must be presented via a public process and again approval by 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.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or 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. The District does not have a formal minimum fund balance policy. However, the District’s budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Board of Education.

At June 30, 2024, the District had fund balances restricted for the following purposes:

Debt service on G.O. Debt	\$ 8,074,577
Capital projects	22,223,066
Tabor reserve	1,785,000
	<u>\$ 32,082,643</u>

At June 30, 2024, the District had fund balances committed for the following purposes:

Housing	\$ 85,955
	<u>\$ 85,955</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Benefits provided as of December 31, 2023: 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 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent 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.

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 percent or 100 percent 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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 June 30, 2024: 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 percent of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
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 SCHDTF	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%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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 \$2,976,235 for the year ended June 30, 2024.

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 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the District reported a liability of \$56,957,437 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:

District's proportionate share of the net pension liability	\$56,957,437
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,222,110
Total	\$58,179,547

At December 31, 2023, the District proportionate share was 0.2860%, as compared to its proportionate share of 0.2851% at December 31, 2022.

Pension Expense (Revenue): For the year ended June 30, 2024, the District recognized pension expense (revenue) of (\$7,720,405) and revenue (expense) of \$116,905 for support from the State as a nonemployer contributing entity.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,700,860	\$ -
Net difference between projected and actual earnings on pension plan investments	4,082,961	-
Changes in proportionate share of contribution	8,066,207	2,680,947
Contributions subsequent to the measurement date	2,224,850	-
Total	<u>\$ 17,074,878</u>	<u>\$ 2,680,947</u>

Contributions subsequent to the measurement date of December 31, 2023, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability calculated at the June 30, 2025 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:

Year ended	Amortization
<u>June 30,</u>	<u></u>
2025	\$ 2,549,959
2026	5,801,715
2027	4,955,846
2028	(1,138,439)
	<u>\$ 12,169,081</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

H. 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, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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

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

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

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

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

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

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

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

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

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

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

H. 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 percent. 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 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Based on the above assumptions and methods, the SCHDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. 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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective net pension liability	\$ 23,645,677,000	17,683,422,000	12,711,623,000
Proportionate share of net pension liability	\$ 76,161,568	56,957,437	40,943,515

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

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 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.

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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 basis for 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 percent of PERA-includable salary into the HCTF.

District 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 \$162,119 for the year ended June 30, 2024.

Liabilities. At June 30, 2024, the District reported a liability of \$1,375,292 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TOL to December 31, 2023. The District proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

At December 31, 2023, the District proportion was 0.1927%, as compared to its proportion of 0.1873% measured as of December 31, 2022.

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of (\$44,742). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 281,879
Changes of assumptions or other inputs	16,173	145,828
Net difference between projected and actual earnings on pension plan investments	42,535	-
Changes in proportionate share of contribution	82,491	16,427
Contributions subsequent to the measurement date	111,352	-
	\$ 252,551	\$ 444,134

Contributions subsequent to the measurement date of December 31, 2023, which are reported as deferred outflows of resources related to other post-employment benefits, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB related expense as follows:

Year Ended June 30,	Amortization
2025	\$ (155,724)
2026	(80,169)
2027	(14,893)
2028	(45,251)
2029	(7,126)
Thereafter	228
	\$ (302,935)

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2022, 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 ₁	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035

₁UnitedHealthcare MAPD PPO plans are 0% for 2023.

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions			
Participant Age	Annual Increase (Male)	Annual Increase (Female)	
65-68	2.2%	2.3%	
69	2.8%	2.2%	
70	2.7%	1.6%	
71	3.1%	0.5%	
72	2.3%	0.7%	
73	1.2%	0.8%	
74	0.9%	1.5%	
75-85	0.9%	1.3%	
86 and older	0.0%	0.0%	

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics 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, 2022, 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Year Ending	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) 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 Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

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

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

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

Disabled mortality assumptions for members other than Safety Officers 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 Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

- Per capita health care costs in effect as of the December 31, 2022, 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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- 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.

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.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERA Care Medicare Trend Rate ₁	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Collective Net OPEB Liability	693,241,000	713,726,000	736,009,000
Proportionate Share of Net OPEB Liability	1,335,819	1,375,292	1,418,229

₁For the January 1, 2024, plan year.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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 percent. 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, 2023, 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 in to the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Collective Net OPEB Liability	843,000,000	713,726,000	603,132,000
Proportionate Share of Net OPEB Liability	1,624,392	1,375,292	1,162,186

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

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and distortion of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. The District participates in the Colorado School Districts Self Insurance Pool. The Pool covers all insurance risks except for Worker's Compensation. The District pays annual premiums which are adjusted for any dividends during the year. Claim levels of the Pool may affect the District's premiums in future years. The District did not receive dividends during the year ended June 30, 2024. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District is fully self-insured for unemployment compensation and has a \$10,000 deductible property insurance and a \$10,000,000 annual aggregate liability limit. The district paid unemployment claims totaling \$3,475 in fiscal year 2024. The District continues to carry commercial insurance for all other risks of loss, including errors and omissions. Settled claims resulting from these risks have not exceeded commercial coverage in the past four years.

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 (ELPA) 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 School believes its pupil count information is accurate and any adjustment would not be material.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

V. Other Information (continued)

B. Contingencies

Claims. 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, 2024.

The District receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

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 which 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.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

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% of adjusted revenue. The District has reserved a portion of its June 30, 2024 year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$1,785,000, which is approximately 3% of the fiscal year spending at June 30, 2024.

The initial base for local government spending and revenue limits is June 30, 1993 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's management believes it is in compliance with the financial provisions of TABOR. However, 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.

Arbitrage Rebate. Investment of bond reserves and bond proceeds at net interest rates in excess of the net interest rate being paid on the bonds may cause the District to be subject to an arbitrage penalty on the difference between the net interest earned and net interest paid. This arbitrage penalty would be payable to the U.S. Treasury on the five-year anniversary date of the bonds. Final arbitrage rebate cannot be determined until the bond proceeds are expended.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2024
(Continued)

V. Other Information (continued)

C. Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy. 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, 2024, 2023 and 2022.

D. Construction Commitments

At June 30, 2024, the District had approximately \$8,928,093 of commitments for construction, which are expected to be mostly incurred in fiscal year 2025.

E. Restatement of Net Position and Fund Balance

The District's governmental net position was restated by an increase of \$178,845 to correct the amortization of the 2012 and 2016 bond premiums. Additionally, the capital project's fund balance was restated by a decrease of \$940,838 to correct retainage payable and capital outlay expenses at June 30, 2023.

Aspen School District No. 1 (RE)
Required Supplemental Information



Aspen School District No. 1 (RE)
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	2024		Actual Amounts	Variance with Final Budget- Positive (Negative)	2023	
	Budgeted Amounts				Actual Amounts	Actual Amounts
	Original	Final				
REVENUES						
Taxes						
Property taxes	\$ 26,120,658	\$ 26,120,658	\$ 27,793,488	\$ 1,672,830	\$ 20,249,672	
Specific ownership taxes	1,180,000	1,180,000	1,107,978	(72,022)	1,101,353	
State income	1,768,214	1,768,214	769,678	(998,536)	5,422,686	
Federal income	952,000	952,000	1,120,930	168,930	1,454,103	
Investment Income	76,500	76,500	359,615	283,115	225,101	
Other	1,764,000	1,764,000	1,770,891	6,891	2,031,113	
Total revenues	<u>31,861,372</u>	<u>31,861,372</u>	<u>32,922,580</u>	<u>1,061,208</u>	<u>30,484,028</u>	
EXPENDITURES						
Current:						
Direct instruction	16,809,569	16,809,569	18,492,466	(1,682,897)	16,288,446	
Indirect instruction	1,557,471	1,557,471	3,258,833	(1,701,362)	1,840,954	
Transportation	1,415,237	1,415,237	1,477,114	(61,877)	1,558,893	
Custodial and maintenance	4,089,084	4,089,084	4,312,270	(223,186)	4,664,834	
Support services	2,929,557	2,929,557	3,072,365	(142,808)	2,206,034	
General administration	3,302,587	3,302,587	3,619,380	(316,793)	2,963,112	
Community service	1,500	1,500	41,604	(40,104)	3,419	
Food service	1,065,000	1,065,000	1,167,449	(102,449)	975,364	
Debt Service:						
Principal	-	-	41,179	(41,179)	9,978	
Interest	-	-	9,828	(9,828)	2,774	
Capital outlay	350,000	350,000	164,845	185,155	231,866	
Total expenditures	<u>31,520,005</u>	<u>31,520,005</u>	<u>35,657,333</u>	<u>(4,137,328)</u>	<u>30,745,674</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>341,367</u>	<u>341,367</u>	<u>(2,734,753)</u>	<u>(3,076,120)</u>	<u>(261,646)</u>	
OTHER FINANCING SOURCES (USES)						
SBITAs	-	-	-	-	225,242	
Transfers in	150,000	150,000	3,657,000	3,507,000	-	
Transfers (out)	(785,000)	(785,000)	(547,488)	237,512	(680,000)	
Total other financing sources (uses)	<u>(635,000)</u>	<u>(635,000)</u>	<u>3,109,512</u>	<u>3,744,512</u>	<u>(454,758)</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>(293,633)</u>	<u>(293,633)</u>	<u>374,759</u>	<u>668,392</u>	<u>(716,404)</u>	
RECONCILIATION TO GAAP BASIS:						
Pension direct distribution - Special funding			95,154		1,115,831	
Pension expense - Special funding			(95,154)		(1,115,831)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - GAAP BASIS			<u>374,759</u>		<u>(716,404)</u>	
NET CHANGE IN FUND BALANCES	(293,633)	(293,633)	374,759	668,392	(716,404)	
FUND BALANCES, BEGINNING	<u>2,990,972</u>	<u>2,990,972</u>	<u>2,054,248</u>	<u>(936,724)</u>	<u>2,770,652</u>	
FUND BALANCES, ENDING	<u>\$ 2,697,339</u>	<u>\$ 2,697,339</u>	<u>\$ 2,429,007</u>	<u>\$ (268,332)</u>	<u>\$ 2,054,248</u>	

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Schedule of District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's portion of the net pension liability	0.3221%	0.2466%	0.2810%	0.3168%	0.2860%
District's proportionate share of the net pension liability	56,957,437	44,903,090	32,704,124	47,886,839	42,722,132
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,222,110	13,085,212	3,749,110	-	10,350,615
Total proportionate share of the net pension liability associated with the District	<u>58,179,547</u>	<u>57,988,302</u>	<u>36,453,234</u>	<u>47,886,839</u>	<u>53,072,747</u>
District's covered payroll	21,306,197	19,016,240	17,558,893	16,944,700	16,926,225
District's proportionate share of the net pension liability as a percentage of its covered payroll	267.33%	236.13%	186.25%	282.61%	252.40%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	61.80%	74.90%	67.00%	64.50%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's portion of the net pension liability	0.2851%	0.3257%	0.3305%	0.3297%	0.3235%
District's proportionate share of the net pension liability	50,486,951	105,321,037	98,393,360	50,419,922	43,847,640
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	13,245,009	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>63,731,960</u>	<u>105,321,037</u>	<u>98,393,360</u>	<u>50,419,922</u>	<u>43,847,640</u>
District's covered payroll	16,327,944	15,018,695	14,761,014	14,728,524	13,951,998
District's proportionate share of the net pension liability as a percentage of its covered payroll	309.21%	701.27%	666.58%	342.33%	314.27%
Plan fiduciary net position as a percentage of the total pension liability	57.00%	44.00%	43.10%	59.20%	62.80%

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Schedule of District Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	4,410,169	4,190,660	3,522,839	3,415,345	3,322,790
Contributions in relation to the contractually required contribution	<u>(4,410,169)</u>	<u>(4,190,660)</u>	<u>(3,522,839)</u>	<u>(3,415,345)</u>	<u>(3,322,790)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered payroll	21,639,690	20,562,609	17,720,516	17,179,796	17,145,460
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Schedule of District's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.1927%	0.1873%	0.1835%	0.1832%	0.1869%
District's proportionate share of the net OPEB liability	1,375,292	1,529,466	1,582,226	1,741,157	2,100,634
District's covered payroll	21,306,197	19,016,240	17,558,893	16,944,700	16,926,225
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.45%	8.04%	9.01%	10.28%	12.41%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	38.57%	39.40%	32.78%	24.49%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
District's proportion of the net OPEB liability	0.1853%	0.1850%	0.1878%		
District's proportionate share of the net OPEB liability	2,521,520	2,404,185	2,435,513		
District's covered payroll	16,327,944	15,018,695	14,761,014		
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.44%	16.01%	16.50%		
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%		

* 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 2017.

Aspen School District No. 1 (RE)
Schedule of District OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	220,725	209,739	180,749	175,234
Contributions in relation to the contractually required contribution	<u>(220,725)</u>	<u>(209,739)</u>	<u>(180,749)</u>	<u>(175,234)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	21,639,690	20,562,609	17,720,516	17,179,796
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Contractually required contribution	166,545	155,975	151,962	
Contributions in relation to the contractually required contribution	<u>(166,545)</u>	<u>(155,975)</u>	<u>(151,962)</u>	
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	
District's covered payroll	16,327,944	15,291,644	14,898,253	
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	

* Information is only available beginning in fiscal year 2017.

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Notes to Required Supplementary Information
June 30, 2024

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

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2022 actuarial valuation:

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

2. Changes since the December 31, 2021 actuarial valuation:

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

3. 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%.

4. 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%.

Aspen School District No. 1 (RE)
Notes to Required Supplementary Information
June 30, 2024
(Continued)

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

A. Changes to assumptions or other inputs (continued)

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

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.

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's 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.

Aspen School District No. 1 (RE)
Notes to Required Supplementary Information
June 30, 2024
(Continued)

IV. Notes to the Schedule of District OPEB Contributions

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2022 actuarial valuation:

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

2. Changes since the December 31, 2021 actuarial valuation:

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

3. Changes since the December 31, 2020 actuarial valuation:

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

4. Changes since the December 31, 2019 actuarial valuation:

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.3 above.

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.

Aspen School District No. 1 (RE)

Supplemental Information



Aspen School District No. 1 (RE)
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	2024			Variance with Final Budget- Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUES					
Taxes					
Property taxes	\$ 8,457,910	\$ 8,457,910	\$ 7,939,928	\$ (517,982)	\$ 8,496,950
Total revenues	<u>8,457,910</u>	<u>8,457,910</u>	<u>7,939,928</u>	<u>(517,982)</u>	<u>8,496,950</u>
EXPENDITURES					
Debt Service:					
Principal	3,990,000	3,990,000	3,990,000	-	3,850,000
Interest	4,038,050	4,038,050	4,038,050	-	4,173,375
Bond issue costs	-	-	15,794	(15,794)	11,750
Total expenditures	<u>8,028,050</u>	<u>8,028,050</u>	<u>8,043,844</u>	<u>(15,794)</u>	<u>8,035,125</u>
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>8,178,493</u>	<u>8,178,493</u>	<u>7,716,668</u>
FUND BALANCES, ENDING	<u>\$ 429,860</u>	<u>\$ 429,860</u>	<u>\$ 8,074,577</u>	<u>\$ 7,644,717</u>	<u>\$ 8,178,493</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Building Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	<u>2024</u>			Variance with Final Budget- Positive (Negative)	<u>2023</u>
	Budgeted Amounts		Actual Amounts		Actual Amounts
	<u>Original</u>	<u>Final</u>			
REVENUES					
Investment income	\$ 85,000	\$ 85,000	\$ 1,586,508	\$ 1,501,508	\$ 2,203,951
Other	-	-	1,362,812	1,362,812	190,000
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>2,949,320</u>	<u>2,864,320</u>	<u>2,393,951</u>
EXPENDITURES					
Direct instruction	-	-	11,690	(11,690)	-
Custodial and maintenance	-	-	208,715	(208,715)	-
Support services	-	-	90,945	(90,945)	98,815
Food service	-	-	71,870	(71,870)	1,360
Capital outlay	<u>29,795,000</u>	<u>29,795,000</u>	<u>19,699,693</u>	<u>10,095,307</u>	<u>50,966,703</u>
Total expenditures	<u>29,795,000</u>	<u>29,795,000</u>	<u>20,082,913</u>	<u>9,712,087</u>	<u>51,066,878</u>
NET CHANGE IN FUND BALANCES	(29,710,000)	(29,710,000)	(17,133,593)	12,576,407	(48,672,927)
FUND BALANCES, BEGINNING	<u>2,389,719</u>	<u>2,389,719</u>	<u>37,385,064</u>	<u>34,995,345</u>	<u>86,057,991</u>
FUND BALANCES, ENDING	<u>\$ (27,320,281)</u>	<u>\$ (27,320,281)</u>	<u>\$ 20,251,471</u>	<u>\$ 47,571,752</u>	<u>\$ 37,385,064</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	<u>2024</u>			Variance with Final Budget- Positive (Negative)	<u>2023</u>
	Budgeted Amounts		Actual Amounts		Actual Amounts (as restated)
	<u>Original</u>	<u>Final</u>			
REVENUES					
Other	\$ 300,000	\$ 300,000	\$ 402,095	\$ 102,095	\$ 774,731
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>402,095</u>	<u>102,095</u>	<u>774,731</u>
EXPENDITURES					
Support services	-	-	-	-	19,329
Debt Service:					
Principal	135,000	135,000	116,860	18,140	138,380
Interest	65,000	65,000	54,971	10,029	28,966
Capital outlay	<u>95,000</u>	<u>95,000</u>	<u>78,254</u>	<u>16,746</u>	<u>97,389</u>
Total expenditures	<u>295,000</u>	<u>295,000</u>	<u>250,085</u>	<u>44,915</u>	<u>284,064</u>
NET CHANGE IN FUND BALANCES	5,000	5,000	152,010	147,010	490,667
FUND BALANCES, BEGINNING	<u>2,389,719</u>	<u>2,389,719</u>	<u>1,819,585</u>	<u>(570,134)</u>	<u>1,328,918</u>
FUND BALANCES, ENDING	<u><u>\$ 2,394,719</u></u>	<u><u>\$ 2,394,719</u></u>	<u><u>\$ 1,971,595</u></u>	<u><u>\$ (423,124)</u></u>	<u><u>\$ 1,819,585</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Aspen Educational Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	2024			Variance with Final Budget- Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUES					
Other	\$ 4,465,000	\$ 4,465,000	\$ 6,277,507	\$ 1,812,507	\$ 5,471,674
Total revenues	<u>4,465,000</u>	<u>4,465,000</u>	<u>6,277,507</u>	<u>1,812,507</u>	<u>5,471,674</u>
EXPENDITURES					
Current:					
Direct instruction	2,476,575	2,476,575	591,677	1,884,898	3,531,136
Indirect instruction	1,519,975	1,519,975	10,381	1,509,594	1,463,962
Custodial and maintenance	-	-	-	-	146
Support services	189,250	189,250	-	189,250	805,521
General administration	279,200	279,200	322,073	(42,873)	104,816
Food service	-	-	-	-	86,000
Total expenditures	<u>4,465,000</u>	<u>4,465,000</u>	<u>924,131</u>	<u>3,540,869</u>	<u>5,991,581</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>5,353,376</u>	<u>5,353,376</u>	<u>(519,907)</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)	<u>-</u>	<u>-</u>	<u>(3,973,988)</u>	<u>(3,973,988)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,973,988)</u>	<u>(3,973,988)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>1,379,388</u>	<u>1,379,388</u>	<u>(519,907)</u>
FUND BALANCES, BEGINNING	<u>1,511,795</u>	<u>1,511,795</u>	<u>309,604</u>	<u>(1,202,191)</u>	<u>829,511</u>
FUND BALANCES, ENDING	<u>\$ 1,511,795</u>	<u>\$ 1,511,795</u>	<u>\$ 1,688,992</u>	<u>\$ 177,197</u>	<u>\$ 309,604</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Balance Sheet
Non-Major Funds
June 30, 2024

	Student Athletics Fund	Aspen Family Connections Fund	Total Non-Major Funds
ASSETS AND OTHER DEBITS			
Assets:			
Prepaid expenses	\$ 119,900	\$ -	\$ 119,900
Other receivable	56,479	20,417	76,896
Due from other governments	-	18,767	18,767
Due from other funds	-	461,006	461,006
Total assets and other debits	176,379	500,190	676,569
 FUND BALANCES			
Liabilities:			
Accounts and other current payables	54,090	4,465	58,555
Due to other funds	1,281,773	-	1,281,773
Accrued expenses	4,796	184	4,980
Total liabilities	1,340,659	4,649	1,345,308
 Fund balances:			
Non-spendable:			
Prepaid expenses	119,900	-	119,900
Assigned	-	495,541	495,541
Unassigned	(1,284,180)	-	(1,284,180)
Total fund balances	(1,164,280)	495,541	(668,739)
Total liabilities and fund balances	\$ 176,379	\$ 500,190	\$ 676,569

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Funds
For the Year Ended June 30, 2024

	Student Athletics Fund	Aspen Family Connections Fund	Total Non-Major Funds
REVENUES			
Other	\$ 1,312,824	\$ 757,530	2,070,354
Total revenues	<u>1,312,824</u>	<u>757,530</u>	<u>2,070,354</u>
EXPENDITURES			
Current:			
Indirect instruction	-	666,298	666,298
Custodial and maintenance	-	19,030	19,030
Support services	-	3,325	3,325
Community service	-	94,832	94,832
Student activities	2,822,387	-	2,822,387
Total expenditures	<u>2,822,387</u>	<u>783,485</u>	<u>3,605,872</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,509,563)</u>	<u>(25,955)</u>	<u>(1,535,518)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	764,476	-	764,476
Transfers (out)	-	100,000	100,000
Total other financing sources (uses)	<u>764,476</u>	<u>100,000</u>	<u>864,476</u>
NET CHANGE IN FUND BALANCES	(745,087)	74,045	(671,042)
FUND BALANCES, BEGINNING	<u>(419,193)</u>	<u>421,496</u>	<u>2,303</u>
FUND BALANCES, ENDING	<u>\$ (1,164,280)</u>	<u>\$ 495,541</u>	<u>\$ (668,739)</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Student Athletics Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	<u>2024</u>			Variance with Final Budget- Positive (Negative)	<u>2023</u>
	Budgeted Amounts		Actual Amounts		Actual Amounts
	<u>Original</u>	<u>Final</u>			
REVENUES					
Other	\$ 941,625	\$ 941,625	\$ 1,312,824	\$ 371,199	\$ 989,324
Total revenues	<u>941,625</u>	<u>941,625</u>	<u>1,312,824</u>	<u>371,199</u>	<u>989,324</u>
EXPENDITURES					
Current:					
Student activities	1,595,725	1,595,725	2,822,387	(1,226,662)	2,133,774
Total expenditures	<u>1,595,725</u>	<u>1,595,725</u>	<u>2,822,387</u>	<u>(1,226,662)</u>	<u>2,133,774</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(654,100)</u>	<u>(654,100)</u>	<u>(1,509,563)</u>	<u>(855,463)</u>	<u>(1,144,450)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	680,000	680,000	764,476	84,476	680,000
Total other financing sources (uses)	<u>680,000</u>	<u>680,000</u>	<u>764,476</u>	<u>84,476</u>	<u>680,000</u>
NET CHANGE IN FUND BALANCES	25,900	25,900	(745,087)	(770,987)	(464,450)
FUND BALANCES, BEGINNING	<u>31,979</u>	<u>31,979</u>	<u>(419,193)</u>	<u>(451,172)</u>	<u>45,257</u>
FUND BALANCES, ENDING	<u>\$ 57,879</u>	<u>\$ 57,879</u>	<u>\$ (1,164,280)</u>	<u>\$ (1,222,159)</u>	<u>\$ (419,193)</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Aspen Family Connections Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	2024			Variance with Final Budget- Positive (Negative)	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
REVENUES					
Taxes					
Other	\$ 671,684	\$ 671,684	\$ 757,530	\$ 85,846	\$ 788,663
Total revenues	<u>671,684</u>	<u>671,684</u>	<u>757,530</u>	<u>85,846</u>	<u>788,663</u>
EXPENDITURES					
Current:					
Direct instruction	-	-	-	-	150
Indirect instruction	620,305	620,305	666,298	(45,993)	645,399
Custodial and maintenance	-	-	19,030	(19,030)	-
Support services	1,500	1,500	3,325	(1,825)	2,260
Community service	48,500	48,500	94,832	(46,332)	51,825
Total expenditures	<u>670,305</u>	<u>670,305</u>	<u>783,485</u>	<u>(113,180)</u>	<u>699,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,379</u>	<u>1,379</u>	<u>(25,955)</u>	<u>(27,334)</u>	<u>89,029</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	100,000	100,000	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,379	1,379	74,045	72,666	89,029
FUND BALANCES, BEGINNING	<u>467,022</u>	<u>467,022</u>	<u>421,496</u>	<u>(45,526)</u>	<u>332,467</u>
FUND BALANCES, ENDING	<u>\$ 468,401</u>	<u>\$ 468,401</u>	<u>\$ 495,541</u>	<u>\$ 27,140</u>	<u>\$ 421,496</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Employee Housing Fund
Schedule of Revenues, Expenditures and Changes in Net
Assets - Budget (Non-GAAP Basis) and Actual with
Reconciliation to GAAP Basis
For the Year Ended June 30, 2024
With Comparative Actual Amounts for 2023

	<u>2024</u>			Variance with Final Budget- Positive (Negative)	<u>2023</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
OPERATING REVENUES					
Charges for services	\$ 1,295,000	\$ 1,295,000	\$ 1,639,166	\$ 344,166	\$ 1,084,235
Other income	-	-	12,981	12,981	15,197
Total operating revenues	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,652,147</u>	<u>357,147</u>	<u>1,099,432</u>
OPERATING EXPENSES					
Purchased professional and technical services	-	-	5,144	(5,144)	-
Employee benefits	71,700	71,700	77,937	(6,237)	55,056
Salaries	162,000	162,000	214,837	(52,837)	151,222
Repairs and maintenance	212,209	212,209	455,615	(243,406)	18,017
Purchased services	237,200	237,200	196,067	41,133	566,010
Operating supplies	256,605	256,605	374,314	(117,709)	125,990
Property	-	-	14,424	(14,424)	(17,384)
Other objects	165,300	165,300	213,696	(48,396)	167,815
Total operating expenses	<u>1,105,014</u>	<u>1,105,014</u>	<u>1,552,034</u>	<u>(447,020)</u>	<u>1,066,726</u>
INCOME (LOSS) FROM OPERATIONS	<u>189,986</u>	<u>189,986</u>	<u>100,113</u>	<u>(89,873)</u>	<u>32,706</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	12,000	12,000	178	(11,822)	-
Total nonoperating revenues (expenses)	<u>12,000</u>	<u>12,000</u>	<u>178</u>	<u>(11,822)</u>	<u>-</u>
CHANGE IN NET POSITION - NON-GAAP BASIS	<u>\$ 201,986</u>	<u>\$ 201,986</u>	100,291	<u>\$ (101,695)</u>	32,706
RECONCILIATION TO GAAP BASIS					
Capital contributions			4,091,149		31,710,409
Depreciation			(2,086,732)		(1,950,360)
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 2,104,708</u>		<u>\$ 29,792,755</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)

STATE COMPLIANCE SECTION





Colorado Department of Education

Auditors Integrity Report

District: 2640 - Aspen 1

Fiscal Year 2023-24

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,054,244	36,127,246	35,752,488	2,429,003
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	2,054,244	36,127,246	35,752,488	2,429,003
11 Charter School Fund	2,492,617	3,503,139	3,026,449	2,969,307
20,26-29 Special Revenue Fund	731,100	3,161,049	1,707,615	2,184,534
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	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	-419,193	2,077,300	2,822,387	-1,164,279
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	8,178,493	7,939,928	8,043,845	8,074,577
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	37,385,065	2,949,320	20,082,912	20,251,472
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,819,584	402,095	250,085	1,971,594
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	52,241,911	56,160,077	71,685,780	36,716,208
Proprietary				
50 Other Enterprise Funds	50,522,559	5,743,474	3,638,766	52,627,267
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	50,522,559	5,743,474	3,638,766	52,627,267
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

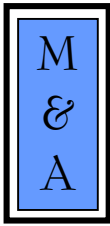
FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.

Aspen School District No. 1 (RE)

SINGLE AUDIT SECTION





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
Aspen School District No. 1 (RE)
Aspen, Colorado**

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 Aspen School District No. 1 (RE) (the "District") as of and for the year ended June 30, 2024, 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 12, 2024.

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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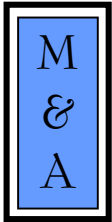
**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Aspen School District No. 1 (RE)**

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 12, 2024**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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
Aspen School District No. 1 (RE)
Aspen, Colorado**

Report on Compliance for Each Major Program

We have audited the compliance of the Aspen School District No. 1 (RE) (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, 2024. 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, 2024.

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.

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Aspen School District No. 1 (RE)**

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
Aspen School District No. 1 (RE)**

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 on 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 12, 2024**

Aspen School District No. 1 (RE)
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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 – Schools and Roads – Grants to States	ALN 10.665
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	No
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
Auditor-assigned reference number	Not applicable

Aspen School District No. 1 (RE)
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

There were no findings for the fiscal year ended June 30, 2023.

Aspen School District No. 1 (RE)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Project Code</u>	<u>Expenditures</u>	
United States Department of Agriculture:				
Passed through Pitkin County Colorado				
Schools and Roads - Grants to States	10.665	7665	580,469	A
Total United States Department of Agriculture			<u>580,469</u>	
United States Department of Education:				
Passed through Colorado Department of Education:				
Title I Grants to Local Education Agencies	84.010	4010	\$ 82,800	
Special Education - Grants to States	84.027	4027	306,770	B
Special Education - Preschool Grants	84.173	4173	7,797	B
Supporting Effective Instruction State Grants	84.367	4367	29,597	
Student Support and Academic Enrichment Program	84.424	4424	6,807	
ESSER III 90% - LEA Allocation	84.425U	4414	51,680	
Total United States Department of Education			<u>485,451</u>	
Total Federal Expenditures			<u>\$ 1,065,920</u>	

Additional Information for Clusters:

A Forest Service Schools and Roads Cluster	\$ 580,469
B Special Education Cluster (IDEA)	314,567

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Aspen School District No.1 (RE) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. 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. Sub recipients:

The District had no sub-recipients as of June 30, 2024.

Note 3. Indirect Facilities and Administration Costs:

The District has elected to not use the 10% de minimis cost rate allowed in § 200.414, Indirect (F&A) Costs, of the Uniform Guidance.