



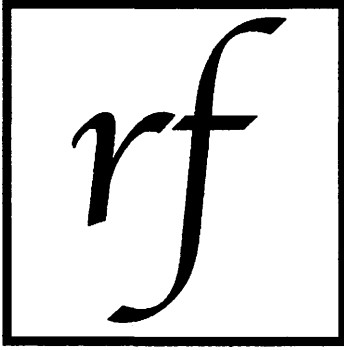
Calhan School District RJ-1
Calhan, Colorado

Financial Statements

For the Year Ended
June 30, 2024

**Calhan School District RJ-1
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June 30, 2024**

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Independent Auditor's Report

Board of Education
Calhan School District RJ-1

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhan School District RJ-1 (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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages ii-v and the required supplementary information on pages 34 through 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing

standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information on pages 39 through 47 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

November 13, 2024

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2024

As management of Calhan School District RJ-1 we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2024. We encourage readers to consider the information presented here in conjunction with the information furnished in our financial statements.

Financial Highlights

- The net position of the District decreased by \$2,469,143 to \$2,322,613 .
- The District's governmental funds reported unassigned fund balances of \$1,169,331 in the General Fund, a committed fund balance for capital projects in the Capital Reserve Fund of \$158,980.
- The general fund showed an increase of \$292,097 , the capital reserve fund increased \$31,337, the food service fund increased \$41,306, the student activity fund decreased \$5,295, the building fund decreased \$6,324,562, the bond fund decreased \$2728.
- There were no new funds added this year.

Overview of the Financial Statements

The annual audit report has four parts: 1) the management's discussion and analysis, 2) the basic financial statements, 3) required supplementary and other information, and 4) auditor's financial data integrity (CDE form).

The management's discussion and analysis is a general statement about the annual audit report prepared by the superintendent of schools. The intent is to report only the most relevant financial information about Calhan School District RJ-1.

The basic financial statements report the combined government-wide finances, individual government funds, fiduciary funds, and provide financial commentary. For Calhan School District, government funds include general operations, capital reserve and bond redemption funds. Calhan also has one fiduciary fund (pupil activity).

The next section is for both required supplementary and other information. This section provides additional explanations and supports the information in the basic financial statements.

The auditor's financial data integrity is a form required by the Colorado Department of Education for their automated data exchange system. It shows the total financial transactions for all funds.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2024

Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those methods used by private sector companies.

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

The statement of activities presents information showing how the District's net position changed. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide statements are divided into two categories:

Governmental activities – all of the District's basic services are included, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes, state and federal subsidies, and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental Funds are where most of the District's activities are reported, the focus is on the determination of financial position and change in financial position, not income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance District programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information for budgetary comparison.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2024

The net position of the District decreased by \$2,469,143. Most of the governmental activities were financed by taxpayers through state equalization payments and local property taxes.

Financial Analysis of the District's Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance is \$998,214. As a measure of liquidity, it may be useful to compare both the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11% of total general fund expenditures.

The committed fund balance in the Capital Projects Fund is \$158,980. The Food Service Fund and the Student Activity Special Revenue Funds have assigned balances of \$131,942 and \$97,392 respectively. Food Service has a nonspendable fund balance of \$6,839 for its inventory.

The district passed a bond in November 2022 for \$7,500,000 to build a Career Tech addition to the school. The fund balance for the Bond Redemption Fund is \$397,293, the CTE Building Fund balance is \$929,132.

Capital Assets and Debt Administration

As of June 30, 2024, the District had \$16,919,479 invested in capital assets (net of accumulated depreciation). This was a decrease of \$7,673,846 in net capital assets, net of depreciation expense. The increase includes construction in progress.

The major fixed assets purchases in the current year was 5 Blue bird buses for \$623,280, an air compressor for \$4510, inventory for the kitchen \$21,047, and football field lights replacement \$32,731, construction in progress of approximately 7 million dollars.

Long Term Debt

The District debt consists of the net pension liability of \$9,564,148 and the bond liability of \$7,760,271 and the bond premium of \$609,788.

Major Fund Budgetary Highlights

The District approves the original budget in June based on enrollment projections for the following school year. In October, after funded pupil counts are refined, necessary budget adjustments are made.

Colorado statutes permit transferring budgeted amounts from one object or purpose to another within the same fund. Board policy allows management to transfer budgets between objects or purposes without obtaining authorization from the Board.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2024

Economic Factors and Next Year's Budgets and Rates

The recently completed enrollment projection indicates growth to a student population in the range of between 510 - 605 students by the 2033-34 school year. With regard to facility capacity, the acquisition of an additional local property which will provide 10 classrooms, and the current construction of an addition to the existing building will provide an additional 6 classrooms, and career and technical facilities appear to meet the District's needs to the end of that period. Also, the route bus fleet has been completely replaced, so transportation infrastructure is adequate through 2029. However, the aforementioned growth will require increases in staffing, supplies, and curricular material, and the continued strategic plan calls for increasing career and technical education programs which will incur costs for program specific supplies and equipment. Finally, staff compensation must keep pace with market forces in order to retain employees.

Additional Financial Information

The "Management's Discussion and Analysis" report is designed to provide a general overview of the District's finances with comments and predictions made by the District's superintendent. For additional information, contact the Calhan School District Office (719) 347-2541.

BASIC FINANCIAL STATEMENTS

**Calhan School District
Statement of Net Position
June 30, 2024**

	Governmental Activities--Total
ASSETS	
Cash and Equivalents	\$ 2,827,523
Receivables	350,430
Inventories	6,839
Capital Assets:	
Site	92,868
Site Improvements	667,615
Buildings	10,889,265
Equipment	1,882,293
Transportation	8,463,941
Less: Accumulated Depreciation	<u>(5,627,614)</u>
Total Capital Assets	<u>16,368,368</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plan	3,156,132
OPEB	41,917
Total Assets	<u>22,751,209</u>
LIABILITIES	
Accounts payable and accrued expenses	293,883
Long-term Liabilities:	
Due within one year	
Bonds and leases payable	494,210
Due in more than one year	
Bonds and leases payable	7,760,271
Net Pension Liability	9,564,148
Bond Premium	609,788
Total Liabilities	<u>18,722,300</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	1,657,907
OPEB	48,389
NET POSITION	
Net investment in Capital Assets	8,113,888
Restricted:	
Debt Service	400,021
Capital projects	7,253,694
TABOR and Preschool	171,117
Unrestricted	<u>(13,616,107)</u>
Total Net Position	<u>\$ 2,322,613</u>

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

**Calhan School District
Statement of Activities
For the Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u> <u>Governmental Activities--Total</u>
Primary government				
Governmental Activities				
Instructional:				
Instructional	\$ 7,244,272	\$ 162,979	\$ 1,350,302	\$ (5,730,991)
Pupil Services	91,261	-	-	(91,261)
General Administration	253,353	-	-	(253,353)
School Administration	580,660	-	-	(580,660)
Student Activities	420,055	197,690	-	(222,365)
Total Instructional	<u>8,589,601</u>	<u>360,669</u>	<u>1,350,302</u>	<u>(6,878,630)</u>
Support Services:				
Accounting	220,853	-	-	(220,853)
Operations and Maintenance	567,773	-	-	(567,773)
Pupil Transportation	632,377	-	-	(632,377)
Districtwide Costs	418,637	1,616	-	(417,021)
Food Service	279,943	15,159	321,939	57,155
Interest on Long-term debt	340,439	-	-	(340,439)
Total Support Services	<u>2,460,022</u>	<u>16,775</u>	<u>321,939</u>	<u>(2,121,308)</u>
Total governmental activities	<u>11,049,623</u>	<u>377,444</u>	<u>1,672,241</u>	<u>(8,999,938)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				\$ 1,509,658
Property taxes, levied for debt service				559,009
Specific ownership, general				200,146
State & federal aid not restricted to specific functions:				
State equalization/Per pupil revenue				3,823,906
Unrestricted investment earnings				224,341
Miscellaneous				213,735
Total general revenues, special items, and transfers				<u>6,530,795</u>
Change in net position				(2,469,143)
Net position - beginning				4,791,756
Net position - ending				<u>\$ 2,322,613</u>

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

**Calhan School District
Balance Sheet
Governmental Funds
June 30, 2024**

	<u>General</u>	<u>Capital Building Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 1,072,278	\$ 909,132	\$ 397,293	\$ 178,980	\$ 269,840	\$ 2,827,523
Taxes receivable, net	58,661	-	-	-	-	58,661
Due from other funds	84,176	20,000	-	-	-	104,176
Other receivables	245,263	-	-	-	46,506	291,769
Inventories	-	-	-	-	6,839	6,839
Total assets	<u>1,460,378</u>	<u>929,132</u>	<u>397,293</u>	<u>178,980</u>	<u>323,185</u>	<u>3,288,968</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	50,768	-	-	-	902	51,670
Due to other funds	-	-	-	20,000	84,176	104,176
Other accrued expenses	240,279	-	-	-	1,934	242,213
Total liabilities	<u>291,047</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>87,012</u>	<u>398,059</u>
Fund balances:						
Non-spendable inventory	-	-	-	-	6,839	6,839
Debt service	-	-	397,293	-	-	397,293
Committed capital projects funds	-	929,132	-	158,980	-	1,088,112
Restricted-TABOR and Preschool	171,117	-	-	-	-	171,117
Unassigned	998,214	-	-	-	-	998,214
Reported in non-major funds:						
Assigned	-	-	-	-	229,334	229,334
Total fund balances	<u>1,169,331</u>	<u>929,132</u>	<u>397,293</u>	<u>158,980</u>	<u>236,173</u>	<u>2,890,909</u>
Total liabilities and fund balances	<u>\$ 1,460,378</u>	<u>\$ 929,132</u>	<u>\$ 397,293</u>	<u>\$ 178,980</u>	<u>\$ 323,185</u>	<u>\$ 3,288,968</u>

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

Calhan School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total fund balance, governmental funds	\$ 2,890,909
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	16,368,368
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position: Pension Plan Deferred Outflow	3,198,049
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, Net Pension Liability, Pension Differences-Deferred Outflow and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(20,134,713)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 2,322,613</u>

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

Calhan School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General</u>	<u>Capital Building Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property Taxes	\$ 1,509,658	\$ -	\$ 545,846	\$ -	\$ -	\$ 2,055,504
SO Tax	193,112	-	-	20,197	-	213,309
Student Activities	-	-	-	-	168,349	168,349
Intergovernmental	5,174,208	-	-	-	321,939	5,496,147
Charges for services	192,320	-	-	-	16,775	209,095
Investment earnings	24,880	188,242	23	11,140	56	224,341
Miscellaneous	119,490	94,245	-	-	-	213,735
Total revenues	<u>7,213,668</u>	<u>282,487</u>	<u>545,869</u>	<u>31,337</u>	<u>507,119</u>	<u>8,580,480</u>
EXPENDITURES						
Instructional:						
High School	-	-	1,200	-	-	1,200
Pupil services	159,971	-	-	-	173,644	333,615
Instructional	3,892,629	-	-	-	-	3,892,629
General administration	250,537	-	-	-	-	250,537
School administration	290,549	-	-	-	-	290,549
Accounting	225,889	-	-	-	-	225,889
Operations & maintenance	420,471	-	-	-	-	420,471
District wide costs	850,151	-	-	-	-	850,151
Total Instructional	<u>6,090,197</u>	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>173,644</u>	<u>6,265,041</u>
Support Services:						
Food services	-	-	-	-	274,793	274,793
Pupil Transportation	511,526	-	-	-	-	511,526
Debt Service:						
Principal	534,325	-	200,000	-	-	734,325
Interest Expense	18,452	-	347,397	-	-	365,849
Capital Outlay	1,239,212	6,607,049	-	-	21,047	7,867,308
Total Expenditures	<u>8,393,712</u>	<u>6,607,049</u>	<u>548,597</u>	<u>-</u>	<u>469,484</u>	<u>16,018,842</u>
Excess (deficiency) of revenues over expenditures	<u>(1,180,044)</u>	<u>(6,324,562)</u>	<u>(2,728)</u>	<u>31,337</u>	<u>37,635</u>	<u>(7,438,362)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	1,387,725	-	-	-	-	1,387,725
Transfers out	-	-	-	-	(84,416)	(84,416)
Transfers in	84,416	-	-	-	-	84,416
Total other financing sources and uses	<u>1,472,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,416)</u>	<u>1,387,725</u>
Net change in fund balances	292,097	(6,324,562)	(2,728)	31,337	(46,781)	(6,050,637)
Fund balances - beginning	877,234	7,253,694	400,021	127,643	282,954	8,941,546
Fund balances - ending	<u>\$ 1,169,331</u>	<u>\$ 929,132</u>	<u>\$ 397,293</u>	<u>\$ 158,980</u>	<u>\$ 236,173</u>	<u>\$ 2,890,909</u>

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

Calhan School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds: \$ (6,050,637)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$7,867,308 is more than depreciation of \$384,574 in the current period. 7,482,734

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments. (653,400)

Bond premium amortization 25,410

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

Net difference between PERA pension and OPEB actual expense contributions (3,273,250)

Change in net position of governmental activities \$ (2,469,143)

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

Calhan School District RJ-1, Calhan, Colorado
Notes to the Financial Statements
June 30, 2024

Note 1 Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Calhan School District RJ-1's significant accounting policies applied in the preparation of these financial statements follows.

Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments.

This report includes all funds of Calhan School District RJ-1.

Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include 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.

Fund financial statements are also provided in the report for all of the governmental funds and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

- General Fund – The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

- Capital Projects Fund – The capital projects fund accumulates funds to pay for capital projects.
- Capital Building Fund – The capital building fund accounts for the bond proceeds used to pay for the construction of the new events center for the school. All construction costs will be paid through the capital building fund.
- Debt Service Fund – The debt service fund will account for the property taxes to pay for the principal and interest on the bonds issued that were used for the construction of the events center.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The 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. “Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar. Submission of a proposed budget to the Board of Education is due by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection. The last date for final adoption of the budget and appropriation resolution is June 30. January 31 is the last date to change adopted budget. By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

Encumbrances

Encumbrance accounting where purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

Assets, Liabilities and Fund Balances/Net Position

Deposits. 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.

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107.

Receivables and Payables. 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/due from other funds.”

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

Inventories. The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken at year-end for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

Capital Assets. Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair 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 asset lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Site Improvements	7 – 30
Buildings	10 – 50
Equipment	5 – 25
Vehicles	7 – 10

The District does not have any infrastructure assets.

Compensated Absences. All employees are allowed from 9 to 12 days per year. Upon retirement in accordance with PERA, employees may be paid up to 30 days at the current substitute pay. No liability deemed necessary.

Long-term Obligations. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure. Actual results could differ from those estimates.

Fund Balances and Net Position. In the government-wide, net position are classified in the following categories:

- Invested in Capital Assets – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- Reserved Net Position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation.
- Unreserved Net Position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

- Nonspendable – amounts that cannot be spent because they are either in nonspendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.
- Restricted – when constraints placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's Board of Directors. These

amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

- Assigned – amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve-month period from September 1 to August 31 but are earned over a school year of approximately a nine-month period. The salaries earned but not paid at June 30 are shown as an accrued liability.

Note 2 Stewardship, Compliance, and Accountability

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance.

The voters of the District passed a ballot question in November of 1996 which allows them to retain the excess revenue received for the 1996-1997 year and future years.

The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.

The Food Service Fund, Insurance Fund, Student Activity Fund, General Fund, and Debt Service Fund overspent their respective budgets which may be a violation of Colorado Revised Statutes.

Note 3 Detailed Notes on all Funds and Account Groups

Deposits and Investments - displayed on the balance sheets as “Cash in Bank” and “Certificates of Deposit.”

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

At June 30, 2024, the District's cash deposits had a bank balance and carrying balance as follows:

	<u>Carrying Balance</u>
Insured	\$ 500,000
Deposits uncollateralized in Institution pools	<u>2,327,523</u>
Total Deposits	<u>\$ 2,827,523</u>

Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates.

Changes in General Fixed Assets - a summary of changes in the District general fixed assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Sites	\$ 92,868	\$ -	\$ -	\$ 92,868
Site Improvements	686,074	-	-	686,074
Buildings	11,222,334	7,371,494	-	18,593,828
Equipment	738,343	63,646	-	801,989
Transportation	1,389,054	623,280	-	2,012,334
Total	<u>14,128,673</u>	<u>8,058,420</u>	-	<u>22,187,093</u>
Less Accumulated Depreciation:				
Site Improvements	(47,766)	(21,628)	-	(69,394)
Buildings	(3,280,917)	(218,551)	-	(3,499,468)
Equipment	(541,182)	(31,631)	-	(572,813)
Transportation	(1,013,175)	(112,764)	-	(1,125,939)
Total	<u>(4,883,040)</u>	<u>(384,574)</u>	-	<u>(5,267,614)</u>
Capital Assets, Net	<u>\$ 9,245,633</u>	<u>\$ 7,673,846</u>	\$ -	<u>\$ 16,919,479</u>

Building additions includes \$1,038,406 of construction in progress paid during 2022-23.

Building additions includes \$6,607,049 of construction in progress paid during 2023-24

Instruction	\$ 258,419
Transportation	121,005
Food Service	5,150
	<u>\$ 384,574</u>

Note 4 Risk Management

Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSIP for its liability, property and casualty, vehicle, mechanical and crime insurance coverage. The intergovernmental agreement of formation of CSDSIP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

	January 1, 2023 Through December 31, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

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 \$1,733,166 for the year ended December 31, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SCHDTF was measured as of December 31, 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 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 December 31, 2023, the District reported a liability of \$9,328,254 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 9,328,254
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	441,256
Total	<u>\$ 9,769,510</u>

At December 31, 2023, the District proportion was 0.05524671%, which was approximately the same as its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the District recognized pension expense of \$16,321 and revenue of \$16,321 for support from the State as a nonemployer contributing entity. At December 31, 2023, 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	\$ 463,259	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	2,358,228	1,657,907
Contributions subsequent to the measurement date	334,643	N/A
Total	<u>\$ 3,156,130</u>	<u>\$ 1,657,907</u>

\$334,643 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year Ended		
December 31:		
2024	\$	212,847
2025		491,913
2026		654,090
2027		(195,268)
2028		-
Thereafter	\$	-

Actuarial assumptions. The TPL 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 pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	
And DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by AIR

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of 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 regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

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

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net pension liability	<u>\$10,115,655</u>	<u>\$9,328,254</u>	<u>\$5,438,050</u>

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

Note 6**Defined Contribution Pension Plans****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 ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description. Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions, employer contributions and investment earnings.

Note 7**Defined Benefit Other Post Employment Benefit (OPEB) Plan****Summary of Significant Accounting Policies**

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

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by

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

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

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

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

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and

service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined by 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.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$37,253 for the year ended December 31, 2023.

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

On December 31, 2023, the District reported a liability of \$235,894 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’s 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.

On December 31, 2023, the District’s proportion was 0.03305112%, which was approximately the same as its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the District recognized OPEB income of \$7,192. On December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 48,348
Changes of assumptions or other inputs	2,774	25
Net difference between projected and actual earnings on pension plan investments	22,199	15
Contributions subsequent to the measurement date	16,944	N/A
Total	\$ 41,917	\$ 48,388

\$16,944 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred

outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year Ended
December 31:

2024	\$	(28,716)
2025		(15,196)
2026		(5,231)
2027		(10,462)
2028		(2,987)
Thereafter	\$	(698)

Actuarial assumptions. The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	2.80%-11.30%	3.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates:				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			7.00% in 2023 Gradually decreasing to 4.50% in 2033	
Medicare Part A premiums			3.50% in 2023	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,692	\$ 1,406	\$ 6,469	\$ 5,373
70	\$ 1,901	\$ 1,573	\$ 7,266	\$ 6,011
75	\$ 2,100	\$ 1,653	\$ 8,026	\$ 6,319

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 579	\$ 481	\$ 4,198	\$ 3,487
70	\$ 650	\$ 538	\$ 4,715	\$ 3,900
75	\$ 718	\$ 566	\$ 5,208	\$ 4,101

Sample Age	MAPD HMO (Kaiser) with Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,913	\$ 1,589	\$ 6,719	\$ 5,581
70	\$ 2,149	\$ 1,778	\$ 7,546	\$ 6,243
75	\$ 2,374	\$ 1,869	\$ 8,336	\$ 6,563

The 2023 Medicare Part A premium is \$506 (actual dollars) per month.

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

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

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

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

Year	PERACare Medicare 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 State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of these four Division Trust Funds 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 Safety Officers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than 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 Pub T-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.

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.

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

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

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

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

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.50%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability (asset)	<u>\$ 229,124</u>	<u>\$ 235,894</u>	<u>\$ 243,259</u>

¹For January 1, 2024, Plan Year

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2022, and the financial status of each of the Health Care Trust Funds as of the current measurement date (December 31, 2023). 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 into the Health Care Trust Funds representing a portion of purchased 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.

Sensitivity of the District's proportionate share of Net OPEB liability to changes in the discount rate. The following presents the collective net OPEB liability or net OPEB asset for each of the Health Care Trust Funds calculated using the discount rate of 7.25% as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net OPEB liability	<u>\$278,621</u>	<u>\$235,894</u>	<u>\$199,342</u>

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

Note 8

Long-Term Debt

During 2022-23, the voters of the District approved a general obligation bond series 2023 in the amount of \$7,500,000. The bonds are subject to redemption prior to maturity at the option of the District and are also subject to mandatory sinking fund redemption. The proceeds of the

bonds will be used to construct and equip new facilities for the District's career technical education program and pay the costs of issuing the bonds. The bonds constitute general obligations of the District. All taxable property in the District is subject to the levy of an ad valorem tax to the principal and interest on the bonds without limitation as to rate and in an amount sufficient to the pay bonds when due.

Interest is payable on June 1 and December 1 of each year until the bonds are paid in full. Principal payments are due on December 1 of each year until the bonds are paid in full. After December 1, 2042, the interest rate decreases to 4.00% from 5.15% for the remaining five years the bonds are outstanding.

	Principal	Interest	Total
2024	\$ 165,000	\$ 342,400	\$ 507,400
2025	175,000	334,150	509,150
2026	185,000	325,400	510,400
2027	190,000	316,150	506,150
2028	200,000	306,650	506,650
2029	210,000	296,650	506,650
2030	220,000	286,150	506,150
2031	230,000	275,150	505,150
2032	245,000	263,650	508,650
2033	255,000	251,400	506,400
2034	270,000	238,650	508,650
2035	285,000	225,150	510,150
2036	295,000	210,900	505,900
2037	310,000	196,150	506,150
2038	325,000	180,650	505,650
2039	345,000	164,400	509,400
2040	360,000	147,150	507,150
2041	380,000	129,150	509,150
2042	395,000	110,150	505,150
2043	415,000	90,400	505,400
2044	435,000	73,800	508,800
2045	450,000	56,400	506,400
2046	470,000	38,400	508,400
2047	490,000	19,600	509,600
	<u>\$ 7,300,000</u>	<u>\$ 4,878,700</u>	<u>\$ 12,178,700</u>

The District also entered into a lease-purchase agreement for a bus. The total cost is \$129,984. The lease is financed with a local bank at an interest rate of 5.602%. The note called for a down payment of \$28,905 and four annual payments of \$28,905.

	Principal	Interest	Total
2025	\$ 24,545	\$ 4,360	\$ 28,905
2026	25,920	2,985	28,905
2027	27,372	1,533	28,905
	<u>\$ 77,837</u>	<u>\$ 8,878</u>	<u>\$ 86,715</u>

During 2022-23, the District purchased from Pikes Peak BOCES, an educational building. The agreement calls for a down payment of \$880,000 and 4 annual payments of \$191,111 with no interest. At the end of the leases period, the District can buy the building for \$1. The annual payments are due July 1 of each year and continue through April 2027.

During 2023-24, the District entered into a lease purchase agreement for 5 buses. The terms of the agreement called for a payment in August of 2023 of \$141,650 which includes principal of \$128,860 and interest of \$12,790. Additional payments are as follows:

	Principal	Interest	Total
2024	\$ 113,554	\$ 28,096	\$ 141,650
2025	120,006	21,644	141,650
2026	126,826	14,824	141,650
2027	134,033	7,617	141,650
	<u>\$ 494,419</u>	<u>\$ 72,181</u>	<u>\$ 566,600</u>

The interest rate is 5.683%. The collateral is the equipment.

Changes in long-term debt, not including pension and OPEB, are shown below.

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
General Obligation Bonds - 2023	\$ 7,500,000	\$ -	\$ (200,000)	\$ 7,300,000	\$ 165,000
Lease Purchase – Bus	101,080	-	(23,243)	77,837	24,545
Lease Purchase – 5 Buses	-	623,279	(128,860)	494,419	113,554
Building	764,444	-	(382,220)	382,224	191,111
	<u>\$ 8,365,524</u>	<u>\$ 623,279</u>	<u>\$ (734,323)</u>	<u>\$ 8,254,480</u>	<u>\$ 494,210</u>

REQUIRED SUPPLEMENTARY INFORMATION

Calhan School District RJ- 1
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

	For the Years Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion (percentage) of the collective net pension liability	5.524671%	4.310203%	0.050440%	0.053807%	0.047272%	0.045054%	0.051709%	0.053280%	0.055899%	0.568124%
District's proportionate share of the collective pension liability	\$ 9,328,254	\$ 7,849,649	\$ 5,266,262	\$ 8,134,661	\$ 7,062,288	\$ 7,977,765	\$ 16,720,871	\$ 15,863,550	\$ 8,549,392	\$ 7,699,984
Covered payroll	\$ 3,652,305	\$ 3,322,463	\$ 3,152,385	\$ 2,877,996	\$ 2,776,732	\$ 2,476,870	\$ 2,385,275	\$ 2,391,307	\$ 2,439,092	\$ 2,380,029
District's proportionate share of the net pension liability as a percentage of its payroll	255.41%	236.26%	167.06%	282.65%	254.34%	322.09%	701.00%	663.38%	305.52%	323.52%
Plan fiduciary net pension as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	58.20%	62.80%

Calhan School District RJ-1
Schedule of the District's Proportionate Share of the Net OPEB Liability
For the Year Ended June 30, 2024

	For the Years Ended December 31,							
	2023	2022	2021	2020	2019	2018	2017	
District's proportion (percentage) of the collective net pension liability	0.033051%	0.032741%	0.032933%	0.031122%	0.030882%	0.029285%	0.029381%	0.030285%
District's proportionate share of the collective OPEB liability	\$ 235,894	\$ 267,325	\$ 283,986	\$ 295,729	\$ 347,113	\$ 398,441	\$ 381,834	\$ 392,656
Covered payroll	\$ 3,652,305	\$ 3,322,463	\$ 3,152,385	\$ 2,877,996	\$ 2,776,732	\$ 2,476,870	\$ 2,385,275	\$ 2,391,307
District's proportionate share of the net pension liability as a percentage of its payroll	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net pension as a percentage of the total OPEB liability	38.57%	38.57%	39.40%	32.78%	24.48%	17.03%	17.53%	N/A

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Calhan School District RJ-1
Schedule of Contributions and Related Ratios
For the Year Ended June 30, 2024

	For the Years Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 744,340	\$ 669,287	\$ 626,694	\$ 564,896	\$ 487,383	\$ 458,894	\$ 433,073	\$ 429,212	\$ 414,071	\$ 368,042
Contributions in relation to the statutorily required contribution	(744,340)	(669,287)	(626,694)	(564,896)	(487,383)	(458,894)	(433,073)	(429,212)	(414,071)	(368,042)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,652,305	\$ 3,322,463	\$ 3,152,385	\$ 2,877,996	\$ 2,547,743	\$ 2,430,429	\$ 2,356,279	\$ 2,420,811	\$ 2,452,885	\$ 2,302,870
Contributions as a percentage of covered payroll	20.38%	20.14%	19.88%	19.63%	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%

GASB Statement No. 68 requires ten years of information to be presented in this table.

**Calhan School District RJ-1
Schedule of Contributions and Related Ratios OPEB
For the Year Ended June 30, 2024**

For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 37,253	\$ 33,889	\$ 32,154	\$ 29,355	\$ 28,323	\$ 25,987	\$ 24,790	\$ 24,034
Contributions in relation to the statutorily required contribution	<u>(37,253)</u>	<u>(33,889)</u>	<u>(32,154)</u>	<u>(29,355)</u>	<u>(28,323)</u>	<u>(25,987)</u>	<u>(24,790)</u>	<u>(24,034)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,652,305	\$ 3,322,463	\$ 3,152,385	\$ 2,877,996	\$ 2,776,732	\$ 2,547,743	\$ 2,430,429	\$ 2,356,279
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**Calhan School District
Budget and Actual
General
For the year ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 1,554,380	\$ 1,554,380	\$ 1,509,658
SO Taxes	159,942	159,942	193,112
Intergovernmental	4,452,202	4,740,998	5,174,208
Charges for services	166,000	166,000	192,320
Investment earnings	12,300	12,300	24,880
Miscellaneous	80,828	80,828	119,490
Total revenues	<u>6,425,652</u>	<u>6,714,448</u>	<u>7,213,668</u>
EXPENDITURES			
Instructional:			
Pupil services	141,621	141,621	159,971
Instructional	3,416,034	3,636,911	3,892,629
General administration	195,853	195,853	250,537
School administration	351,824	351,824	290,549
Accounting	177,648	177,648	225,889
Operations & maintenance	363,832	363,832	420,471
District wide costs	648,583	648,583	850,151
Pupil Transportation	603,576	603,576	511,526
Debt Service:			
Principal	-	-	534,325
Interest and other charges	-	-	18,452
Capital Outlay	366,805	366,805	1,239,212
Total Expenditures	<u>6,265,776</u>	<u>6,486,653</u>	<u>8,393,712</u>
Excess (deficiency) of revenues over expenditures	<u>159,876</u>	<u>227,795</u>	<u>(1,180,044)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	1,387,725
Transfers in (out)	-	(5,585)	84,416
Total other financing sources and uses	<u>-</u>	<u>(5,585)</u>	<u>1,472,141</u>
SPECIAL ITEM			
Net change in fund balances	159,876	222,210	292,097
Fund balances - beginning	2,751,594	877,234	879,666
Fund balances - ending	<u>\$ 2,911,470</u>	<u>\$ 1,099,444</u>	<u>\$ 1,171,763</u>

OTHER SUPPLEMENTARY INFORMATION

**Calhan School District
Balance Sheet
Other Governmental Funds
June 30, 2024**

	Food Service	Activity Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 172,448	\$ 97,392	\$ 269,840
Other receivables	46,506	-	46,506
Inventories	6,839	-	6,839
Total assets	225,793	97,392	323,185
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	902	-	902
Due to other funds	84,176	-	84,176
Other accrued expenses	1,934	-	1,934
Total liabilities	87,012	-	87,012
 Fund balances:			
Non-spendable-inventories	6,839	-	6,839
Assigned	131,942	97,392	229,334
Total fund balances	138,781	97,392	236,173
Total liabilities and fund balances	\$ 225,793	\$ 97,392	\$ 323,185

Calhan School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>Food Service</u>	<u>Insurance Fund</u>	<u>Activity Fund</u>	<u>Total-Other Governmental Funds</u>
REVENUES				
Student Activities	\$ -	\$ -	\$ 168,349	\$ 168,349
Intergovernmental	321,939	-	-	321,939
Charges for services	15,159	1,616	-	16,775
Investment earnings	48	8	-	56
Total revenues	<u>337,146</u>	<u>1,624</u>	<u>168,349</u>	<u>507,119</u>
EXPENDITURES				
Instructional:				
Student activities	-	-	173,644	173,644
Food Services	274,793	-	-	274,793
Capital Outlay	21,047	-	-	21,047
Total Expenditures	<u>295,840</u>	<u>-</u>	<u>173,644</u>	<u>469,484</u>
Excess (deficiency) of revenues over expenditures	<u>41,306</u>	<u>1,624</u>	<u>(5,295)</u>	<u>37,635</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(84,416)	-	(84,416)
Total other financing sources and uses	<u>-</u>	<u>(84,416)</u>	<u>-</u>	<u>(84,416)</u>
Net change in fund balances	41,306	(82,792)	(5,295)	(46,781)
Fund balances - beginning	97,475	82,792	102,687	282,954
Fund balances - ending	<u>\$ 138,781</u>	<u>\$ -</u>	<u>\$ 97,392</u>	<u>\$ 236,173</u>

**Calhan School District
Budget and Actual
Food Service
For the year ended June 30, 2024**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 214,993	\$ 214,993	\$ 321,939
Charges for services	11,600	11,600	15,159
Investment earnings	70	50	48
Total revenues	<u>226,663</u>	<u>226,643</u>	<u>337,146</u>
EXPENDITURES			
Support Services:			
Food service	234,105	212,005	274,793
Capital Outlay	-	23,000	21,047
Total Expenditures	<u>234,105</u>	<u>235,005</u>	<u>295,840</u>
Excess (deficiency) of revenues over expenditures	<u>(7,442)</u>	<u>(8,362)</u>	<u>41,306</u>
Net change in fund balances	(7,442)	(8,362)	41,306
Fund balances - beginning	86,215	97,476	97,475
Fund balances - ending	<u>\$ 78,773</u>	<u>\$ 89,114</u>	<u>\$ 138,781</u>

**Calhan School District
Budget and Actual
Student Activity Fund
For the year ended June 30, 2024**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Student activities	\$ 100,000	\$ 100,000	\$ 168,349
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>168,349</u>
EXPENDITURES			
Student activities	178,973	100,000	173,644
Total Expenditures	<u>178,973</u>	<u>100,000</u>	<u>173,644</u>
Excess (deficiency) of revenues over expenditures	<u>(78,973)</u>	<u>-</u>	<u>(5,295)</u>
Net change in fund balances	(78,973)	-	(5,295)
Fund balances - beginning	78,973	102,686	102,687
Fund balances - ending	<u>\$ -</u>	<u>\$ 102,686</u>	<u>\$ 97,392</u>

**Calhan School District
Budget and Actual
Capital Building Fund
For the year ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Investment earnings	\$ 1,000	\$ 158,000	\$ 188,242
Miscellaneous	-	-	94,245
Total revenues	<u>1,000</u>	<u>158,000</u>	<u>282,487</u>
EXPENDITURES			
Capital Outlay	<u>5,417,159</u>	<u>7,251,194</u>	<u>6,607,049</u>
Total Expenditures	<u>5,417,159</u>	<u>7,251,194</u>	<u>6,607,049</u>
Excess (deficiency) of revenues over expenditures	<u>(5,416,159)</u>	<u>(7,093,194)</u>	<u>(6,324,562)</u>
Net change in fund balances	(5,416,159)	(7,093,194)	(6,324,562)
Fund balances - beginning	5,862,548	7,253,694	7,253,694
Fund balances - ending	<u>\$ 446,389</u>	<u>\$ 160,500</u>	<u>\$ 929,132</u>

**Calhan School District
Budget and Actual
Debt Service
For the year ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 530,000	\$ 530,000	\$ 545,846
Investment earnings	1,000	1,000	23
Total revenues	<u>531,000</u>	<u>531,000</u>	<u>545,869</u>
EXPENDITURES			
Support Services:			
General government	1,200	1,200	1,200
Debt Service:			
Principal	-	-	200,000
Interest and other charges	342,400	342,400	347,397
Total Expenditures	<u>343,600</u>	<u>343,600</u>	<u>548,597</u>
Excess (deficiency) of revenues over expenditures	<u>187,400</u>	<u>187,400</u>	<u>(2,728)</u>
Net change in fund balances	187,400	187,400	(2,728)
Fund balances - beginning	43,718	400,021	400,021
Fund balances - ending	<u>\$ 231,118</u>	<u>\$ 587,421</u>	<u>\$ 397,293</u>

**Calhan School District
Budget and Actual
Capital Projects
For the year ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
SO Taxes	\$ 30,000	\$ 30,450	\$ 20,197
Investment earnings	50	10,050	11,140
Total revenues	<u>30,050</u>	<u>40,500</u>	<u>31,337</u>
EXPENDITURES			
Capital Outlay	<u>304,000</u>	-	-
Total Expenditures	<u>304,000</u>	-	-
Excess (deficiency) of revenues over expenditures	<u>(273,950)</u>	<u>40,500</u>	<u>31,337</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>80,000</u>	<u>50,000</u>	-
Total other financing sources and uses	<u>80,000</u>	<u>50,000</u>	-
Net change in fund balances	(193,950)	90,500	31,337
Fund balances - beginning	339,389	127,643	127,643
Fund balances - ending	<u>\$ 145,439</u>	<u>\$ 218,143</u>	<u>\$ 158,980</u>

**Calhan School District
Budget and Actual
Insurance Fund
For the year ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ -	\$ -	\$ 1,616
Investment earnings	-	-	8
Total revenues	<u>-</u>	<u>-</u>	<u>1,624</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,624</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>(84,416)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(84,416)</u>
Net change in fund balances	-	-	(82,792)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>82,792</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Colorado Department of Education

Auditors Integrity Report

District: 0970 - Calhan RJ-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	877,234	8,668,295	8,376,198	1,169,331
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	877,234	8,668,295	8,376,198	1,169,331
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	97,476	337,145	295,840	138,781
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	102,686	168,349	173,643	97,392
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	400,021	545,869	548,597	397,293
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	7,253,694	282,487	6,607,049	929,132
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	127,643	31,337	0	158,980
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	8,658,753	10,033,483	16,001,328	2,890,908
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	82,792	-84,408	-1,616	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	82,792	-84,408	-1,616	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL