

**CENTENNIAL SCHOOL DISTRICT R-1
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024**

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	i
MANAGEMENT’S DISCUSSION AND ANALYSIS	iv
BASIC FINANCIAL STATEMENTS	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund	5
Governmental Designated Purpose Grants Fund	6
Notes to the Financial Statements	7
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERA	33
Schedule of Pension Contributions – PERA	34
Schedule of the Authority's Proportionate Share of the Net OPEB Liability – PERA	35
Schedule of OPEB Contributions – PERA	36
OTHER SUPPLEMENTAL INFORMATION	
Combining Schedules of Nonmajor Governmental Funds	
Combining Balance Sheet	37
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	38
Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual	
Bond Redemption Fund	39
Food Service Fund	40
Student Activity Fund	41
Building Fund	42
Capital Projects Fund	43
SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44
Independent Auditors’ Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Uniform Guidance	46
Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49
CDE Compliance	
Colorado School District’s Auditor’s Integrity Report	52

INDEPENDENT AUDITOR'S REPORT

Board of Education
Centennial School District R-1
San Luis, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centennial School District R-1, of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Centennial School District R-1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Centennial School District R-1 as of June 30, 2024, and the respective changes in financial position thereof 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 and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Centennial School District R-1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Centennial School District R-1'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 Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of 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 Centennial School District R-1'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 Centennial School District R-1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison of the general fund and each major fund, and pension and other postemployment benefits information as listed in the table of contents, 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 Centennial School District R-1's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the Colorado School District's Auditor's Integrity Report, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Colorado School District's Auditor's Integrity Report, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025 on our consideration of the Centennial School District R-1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Centennial School District R-1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Centennial School District R-1's internal control over financial reporting and compliance.

P. Andrew Hall, LLC

P. Andrew Hall, LLC
Corpus Christi, Texas
June 5, 2025

Management's Discussion and Analysis

Centennial School District RE-1 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

As management of Centennial School District, we offer readers of the Centennial School District's financial statements this narrative overview and analysis of the financial activities of the Centennial School District for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights 2024

- Total net position as of June 30, 2024 was \$19,824,837. Total Net Position as of June 30, 2023 was \$17,244,598, an increase of \$2,580,239.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3,607,305 or 50% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,727,678 of total revenues.
- The District had \$4,923,424 in expenses related to governmental activities; \$3,727,678 in addition to these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$3,775,985 provided for these programs.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental fund statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.

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

District-wide Financial Statements

The District-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Centennial School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of Centennial School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-

financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the District-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Included in governmental activities are most of the District's basic services such as regular and special education, transportation, administration, and the food service program.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant, or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Centennial School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the District-wide statements, additional schedules explain the relationship (or differences) between them.

Centennial School District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in the fund balances for the (1) General fund, (2) Governmental Designated Purpose Grants fund, (3) Student Activity fund, (4) Bond Redemption fund, (5) Capital Reserve Capital Projects fund, (6) Food Service Fund.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes other budget-to-actual information as dictated by State law.

District-wide Financial Analysis

Government-wide Analysis:

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 75% of the annual property tax assessment in the first half of the calendar year.

Capital Assets are used in the operation of the District. These assets are land, buildings and improvements, machinery and equipment, and vehicles. Capital assets are discussed in greater detail in the section title, Capital Assets and Long-Term Debt, elsewhere in this analysis.

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

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

**Table 1 – Statement of Net Position
June 30, 2023 and 2024**

	Governmental Activities	
	2023	2024
Current & Other Assets	\$ 8,944,298	\$ 8,405,712
Capital Assets - Net	19,707,384	21,782,067
Total Assets	<u>28,651,682</u>	<u>30,187,779</u>
Deferred Outflows of Financial Resources	<u>1,452,462</u>	<u>1,060,659</u>
Current Liabilities	3,960,162	3,427,910
Non-Current Liabilities	8,596,531	7,794,118
Total Liabilities	<u>12,556,693</u>	<u>11,222,028</u>
Deferred Inflows of Resources	<u>302,853</u>	<u>201,573</u>
Net Investment in Capital Assets	15,543,744	13,493,801
Restricted Net Position	1,655,996	1,686,958
Unrestricted Net Position	44,858	4,644,078
Total Net Position	<u>\$ 17,244,598</u>	<u>\$ 19,824,837</u>

(This section intentionally left blank)

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Table 2 provides a summary of the changes in net position. The following table is a specific discussion related to overall revenues and expenses.

Table 2 – Condensed Statement of Activities

	Governmental Activities	
	2023	2024
Programs Revenues		
Charges for Services	\$ 176,413	\$ 625,001
Operating Grants	1,641,592	1,464,489
Capital Grants	1,488,491	1,638,188
Total Program Revenues	<u>3,306,496</u>	<u>3,727,678</u>
General Revenues		
Taxes	1,843,102	1,817,253
State Equalization	2,043,928	1,839,978
Investment Income	64,679	118,754
Gain (Loss) on Capital Asset Disposals	6,842	-
Miscellaneous	-	-
Total General Revenues	<u>3,958,551</u>	<u>3,775,985</u>
Total Revenues	<u>7,265,047</u>	<u>7,503,663</u>
Expenses		
Instruction Program	2,329,148	2,713,549
Student Supporting Services	300,697	218,908
Instruction Staff Supporting Services	148,988	39,366
General Admin. Supporting Services	416,295	353,559
School Admin Supporting Services	267,416	284,036
Business Supporting Services	121,587	130,880
Operations and Maint. Of Plant Services	400,248	422,493
Student Transportation Services	252,054	194,860
Cental Supporting Services	140,267	135,684
Food Services	178,983	186,804
Community Services	96,535	107,486
Interst on Long-term Debt	144,022	135,799
Total Expenses	<u>4,796,240</u>	<u>4,923,424</u>

In the previous year, property taxes and per pupil state formula revenue (state equalization) accounted for most of the District's revenue, contributing about 69%. Normally State and Federal grants and private partnership grants contribute about 30% of revenue. Normally interest on investments, other sources and miscellaneous contribute the remaining 1%.

In fiscal year 2024, the revenue percentage of property taxes and state equalization is 50%, grants 41%, and all other 1%.

The District expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Centennial School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The effect of the PERA pension and OPEB on the District's total net position for the Fiscal Year 2023 and 2024 is summarized below:

	Fiscal Year 2023	Fiscal Year 2024
Net Position (GAAP Basis)	\$ 17,244,598	\$ 19,824,837
GASB 68-Pension	3,845,762	5,554,174
GASB 75-OPEB	184,787	234,663
Net Position Excluding Pension and OPEB	\$ 21,275,147	\$ 25,613,674

The effect of the PERA pension and OPEB expense on the District's unrestricted net position is summarized below:

	Fiscal Year 2023	Fiscal Year 2024
Net Position (GAAP Basis)	\$ 44,858	\$ 4,644,078
GASB 68-Pension	3,845,762	3,754,081
GASB 75-OPEB	184,787	111,745
Net Position Excluding Pension and OPEB	\$ 4,075,407	\$ 8,509,904

Governmental Activities

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unrestricted fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$10,250.79 per funded student. In fiscal year 2024, the funded pupil count was 177.4. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization. The District received approximately 25% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table III reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 3. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balance for the year was most significant in the general fund, a decrease of \$9,902 to a year-end balance of \$3,812,205.

Activity Fund:

Total expenditures from the Student Activity Fund for 2023-2024 were \$103,134 an increase of \$16,683 from the fiscal year 2022-2023.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado Law and is based on accounting for certain transactions on the modified accrual basis.

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Capital Assets and Debt Administration

By the end of the fiscal year 2024, the District had invested \$21,782,067 in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, and vehicles. (see Table 3)

Table 3 – Governmental Capital Assets

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Governmental Activities:				
Capital Assets, not being depreciated:				
Construction in Progress	\$ 1,322,662	\$ 2,259,936	\$ -	\$ 3,582,598
Land	131,307	-	-	131,307
Total Assets, not being depreciated:	1,453,969	2,259,936	-	3,713,905
Capital Assets, being depreciated:				
Buildings and Improvements	22,504,032	-	-	22,504,032
Machinery and Equipment	1,121,786	458,551	-	1,580,337
Vehicles	490,618	-	-	490,618
Total Capital Assets being depreciated	24,116,436	458,551	-	24,574,987
Accumulated Depreciation:				
Buildings and Improvements	(4,926,772)	(490,150)	-	(5,416,922)
Transportation Equipment	(208,787)	(43,058)	-	(251,845)
Machinery and Equipment	(727,462)	(110,596)	-	(838,058)
Total Accum. Depreciation	(5,863,021)	(643,804)	-	(6,506,825)
Net Governmental Capital Assets	\$19,707,384.00	\$2,074,683.00	\$ -	\$21,782,067.00

At June 30, 2024, the District had \$3,789,148 in total long-term debt. Of this amount, \$389,492 is due within one year.

Table V details the outstanding debt and the portion due within one year for the District.

Table 4 – Long-term Obligation

	Balance 6/30/2023	Advances	Payments	Balance 6/30/2024	Current Portion
Governmental Activities					
2012 GO Bonds	\$ 4,020,000	\$ -	\$ (355,000)	\$ 3,665,000	\$ 370,000
Bond Premiums	143,640	-	(19,492)	124,148	19,492
Total Long-Term Obligations	\$ 4,897,004	\$ -	\$ (374,492)	\$ 3,789,148	\$ 389,492

**Centennial School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

1. ECARE representative from the Colorado Department of Education has asked the ECARE reserve be reduced.
2. The Centennial School District should continue to monitor and develop action plans to reduce increased health insurance premiums.
3. The Centennial School District insurance company suggests cost containment procedures be implemented, which will provide a 5% annual savings to workers compensation.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent of Schools, Centennial School District, 14644 Hwy 159, San Luis, CO 81152.

Basic Financial Statements

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF NET POSITION
June 30, 2024

Assets	2024
Current Assets	
Cash and cash equivalents	\$ 6,536,197
Cash at county treasurer	103,746
Due from other governments	1,436,727
Property tax receivable	324,270
Inventory	4,772
Total Current Assets	8,405,712
Noncurrent Assets	
Capital assets not being depreciated	3,713,905
Capital assets - depreciable	24,574,987
Less: Accumulated depreciation	(6,506,825)
Net Capital Assets	21,782,067
Total Noncurrent Assets	21,782,067
Total Assets	30,187,779
Deferred Outflows of Resources	
Pension	706,126
OPEB	24,083
Deferred charge on bond refunding	330,450
Total Deferred Outflows of Resources	1,060,659
Liabilities	
Current Liabilities	
Accounts payable	397,693
Accrued wages and benefits	135,572
Due to other governments	36,590
Unearned income - grants	2,419,710
Accrued interest	48,853
Premium on issuance of bonds	19,492
General obligation bonds - current portion	370,000
Total Current Liabilities	3,427,910
Long Term Liabilities	
Net pension liability	4,290,855
Net OPEB liability	103,607
General obligation bonds	3,295,000
Premium on issuance of bonds	104,656
Total Long Term Liabilities	7,794,118
Total Liabilities	11,222,028
Deferred Inflows of Resources	
Pension	169,352
OPEB	32,221
Total Deferred Inflows of Resources	201,573
Net Position	
Net investments in capital assets	13,493,801
Restricted	
TABOR	109,829
Debt Service	1,214,992
Preschool	362,137
Unrestricted	4,644,078
Total Net Position	\$ 19,824,837

The accompanying notes are an integral part of these financial statements

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Governmental Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Instruction	\$ 2,713,549	\$ 422,365	\$ 1,353,062	\$ 1,638,188	\$ 700,066
Student supporting services	218,908	-	-	-	(218,908)
Instructional staff supporting services	39,366	-	-	-	(39,366)
General and administration supporting services	353,559	-	-	-	(353,559)
School administration supporting services	284,036	-	-	-	(284,036)
Business supporting services	130,880	-	-	-	(130,880)
Operations and maintenance of plant services	422,493	-	-	-	(422,493)
Student transportation services	194,860	50,532	-	-	(144,328)
Central supporting services	135,684	-	-	-	(135,684)
Food services	186,804	63,091	87,482	-	(36,231)
Community services	107,486	89,013	23,945	-	5,472
Interest	135,799	-	-	-	(135,799)
Total Governmental Activities	\$ 4,923,424	\$ 625,001	\$ 1,464,489	\$ 1,638,188	(1,195,746)
General Revenues					
Taxes:					
Property taxes					1,717,064
Other taxes					100,189
State equalization					1,839,978
Interest					118,754
Total General Revenues					3,775,985
Change in Net Position					2,580,239
Net Position - Beginning of Year					17,244,598
Net Position - End of Year					\$ 19,824,837

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

Fund Financial Statements

CENTENNIAL SCHOOL DISTRICT R-1
BALANCE SHEET
June 30, 2024

	<u>General Fund</u>	<u>Governmental Designated Purpose Grants Fund</u>	<u>Bond Redemption Fund</u>	<u>Total Non Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 3,865,586	\$ 1,274,057	\$ 1,131,906	\$ 264,648	\$ 6,536,197
Cash at county treasurer	76,543	-	27,203	-	103,746
Due from other governments	5,690	1,418,881	-	12,156	1,436,727
Property tax receivable	239,842	-	84,428	-	324,270
Inventory	-	-	-	4,772	4,772
Due from other funds	38,298	-	8,313	-	46,611
Total Assets	<u>\$ 4,225,959</u>	<u>\$ 2,692,938</u>	<u>\$ 1,251,850</u>	<u>\$ 281,576</u>	<u>\$ 8,452,323</u>
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 168,341	\$ 225,832	\$ -	\$ 3,520	\$ 397,693
Accrued wages and benefits	121,518	10,357	-	3,697	135,572
Due to other Governments	79	36,511	-	-	36,590
Due to other funds	8,313	-	-	38,298	46,611
Unearned income - grants	2,777	2,416,933	-	-	2,419,710
Total Liabilities	<u>301,028</u>	<u>2,689,633</u>	<u>-</u>	<u>45,515</u>	<u>3,036,176</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	112,726	-	36,858	-	149,584
Total Deferred Inflows of Resources	<u>112,726</u>	<u>-</u>	<u>36,858</u>	<u>-</u>	<u>149,584</u>
FUND BALANCE					
Nonspendable		-	-	4,772	4,772
Restricted	365,369	-	1,214,992	-	1,580,361
Committed	1,937,918	-	-	231,289	2,169,207
Unassigned	1,508,918	3,305	-	-	1,512,223
Total Fund Balance	<u>3,812,205</u>	<u>3,305</u>	<u>1,214,992</u>	<u>236,061</u>	<u>5,266,563</u>
Total Liabilities, Fund Balance and Deferred Inflows of Resources	<u>\$ 4,225,959</u>	<u>\$ 2,692,938</u>	<u>\$ 1,251,850</u>	<u>\$ 281,576</u>	<u>\$ 8,452,323</u>
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position					
Amounts reported for governmental funds in the Statement of Net Position are different because:					
Total fund balance					5,266,563
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.					21,782,067
Deferred charges on bond refunding are not available to pay for current-period expenditures and, therefore, are not reported in the funds statements.					330,450
Intergovernmental revenues that do not provide current financial resources are included in deferred inflows of resources in the fund financial statements and are considered revenues in the statement of activities.					149,584
The premium on the general obligation bonds is not a current financial resource and is amortized over the life of the bonds on the government-wide statements.					(124,148)
Long-term liabilities are not due and payable in the current period and , therefore, are not reported in the funds.					
General obligation bonds payable				(3,665,000)	
Accrued interest				(48,853)	
				<u>(3,713,853)</u>	
Net pension and OPEB liability, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.					<u>(3,865,826)</u>
Total Net Position					<u>\$ 19,824,837</u>

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

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2024

	General Fund	Governmental Designated Purpose Grants Fund	Bond Redemption Fund	Total Non Major Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 1,699,272	\$ -	\$ 464,004	\$ 74,691	\$ 2,237,967
State sources	2,079,434	1,985,152	53,702	772	4,119,060
Federal sources	-	905,980	-	149,800	1,055,780
Total Revenues	<u>3,778,706</u>	<u>2,891,132</u>	<u>517,706</u>	<u>225,263</u>	<u>7,412,807</u>
EXPENDITURES					
Instruction	1,772,153	317,769	-	103,134	2,193,056
Student supporting services	76,922	141,986	-	-	218,908
Instructional staff supporting services	37,366	2,000	-	-	39,366
General and administration supporting services	353,559	-	-	-	353,559
School administration supporting services	284,036	-	-	-	284,036
Business supporting services	130,880	-	-	-	130,880
Operations and maintenance of plant services	422,493	-	-	-	422,493
Student transportation services	151,802	-	-	-	151,802
Central supporting services	135,684	-	-	-	135,684
Food services	-	-	-	186,804	186,804
Community services	107,486	-	-	-	107,486
Capital Outlay	281,227	2,429,377	-	7,883	2,718,487
Debt service:					
Principal	-	-	355,000	-	355,000
Interest and fees	-	-	116,920	-	116,920
Total Expenditures	<u>3,753,608</u>	<u>2,891,132</u>	<u>471,920</u>	<u>297,821</u>	<u>7,414,481</u>
Revenue Over (Under) Expenditures	<u>25,098</u>	<u>-</u>	<u>45,786</u>	<u>(72,558)</u>	<u>(1,674)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	(35,000)	-	-	35,000	-
Total Other Financing Sources	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balances	(9,902)	-	45,786	(37,558)	(1,674)
Fund Balance, beginning of year	3,822,107	3,305	1,169,206	273,619	5,268,237
Fund Balance, end of year	<u>\$ 3,812,205</u>	<u>\$ 3,305</u>	<u>\$ 1,214,992</u>	<u>\$ 236,061</u>	<u>\$ 5,266,563</u>

Total Change in Fund Balance Governmental Fund	\$ (1,674)
Governmental funds report capital outlays as expenditures and sales as revenues; however, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The activity relating to capital assets for the current period are as follows:	
Capital asset additions	2,718,487
Depreciation expense	<u>(643,804)</u>
	2,074,683
The payment of long-term debt utilizes current financial resources to governmental funds however it has no effect on Net Position.	355,000
The premium associated with the issuance of the general obligation bonds provide a current financial resource to the debt service fund, but they must be capitalized and amortize over the life of the bonds in the government wide statements.	19,492
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported in the fund statements.	
Accrued interest	3,864
The deferred charge on refunding associated with the refunding of debt provide a current financial resource to the debt service fund, but they must be capitalized and amortized over the life of the bonds in the government-wide financial statements	(42,325)
Intergovernmental revenues that do not provide current financial resources are included in deferred inflows of resources in the fund financial statements and are considered revenues in the statement of activities	6,476
Changes arising from the change in net pension liability, net OPEB liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	<u>164,723</u>
Change in Net Position of Governmental Activities	<u>\$ 2,580,239</u>

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

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with final budget Positive (negative)
REVENUES				
Local sources	\$ 1,643,768	\$ 1,720,656	\$ 1,699,272	\$ (21,384)
State sources	2,101,392	1,969,404	2,079,434	110,030
Total Revenues	<u>3,745,160</u>	<u>3,690,060</u>	<u>3,778,706</u>	<u>88,646</u>
EXPENDITURES				
Instruction	1,827,270	1,893,322	1,772,153	121,169
Student supporting services	92,169	108,085	76,922	31,163
Instructional staff supporting services	53,910	54,027	37,366	16,661
General and administration supporting services	338,443	331,784	353,559	(21,775)
School administration supporting services	287,185	284,808	284,036	772
Business supporting services	133,500	133,500	130,880	2,620
Operations and maintenance of plant services	420,387	420,387	422,493	(2,106)
Student transportation services	193,515	193,515	151,802	41,713
Central supporting services	153,000	153,000	135,684	17,316
Community services	96,142	104,037	107,486	(3,449)
Capital Outlay	-	-	281,227	(281,227)
Total Expenditures	<u>3,595,521</u>	<u>3,676,465</u>	<u>3,753,608</u>	<u>(77,143)</u>
Revenue Over (Under) Expenditures	149,639	13,595	25,098	11,503
OTHER FINANCING USES				
Transfers	(35,000)	(45,000)	(35,000)	10,000
Total Other Financing Uses	<u>(35,000)</u>	<u>(45,000)</u>	<u>(35,000)</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ 114,639</u>	<u>\$ (31,405)</u>	<u>(9,902)</u>	<u>\$ 21,503</u>
Fund Balance, beginning of year			<u>3,822,107</u>	
Fund Balance, end of year			<u>\$ 3,812,205</u>	

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

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED PURPOSE GRANT FUND
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
REVENUES				
Local sources	\$ 106,425	\$ -	\$ -	\$ -
State sources	4,074,537	6,420,668	1,985,152	(4,435,516)
Federal sources	2,285,675	792,717	905,980	113,263
Total Revenues	<u>6,466,637</u>	<u>7,213,385</u>	<u>2,891,132</u>	<u>(4,322,253)</u>
EXPENDITURES				
Instruction	6,466,637	7,213,385	317,769	6,895,616
Student supporting services	-	-	141,986	(141,986)
Instructional staff supporting services	-	-	2,000	(2,000)
Capital Outlay	-	-	2,429,377	(2,429,377)
Contingency	-	-	-	-
Total Expenditures	<u>6,466,637</u>	<u>7,213,385</u>	<u>2,891,132</u>	<u>4,322,253</u>
Revenue Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning of year			<u>3,305</u>	
Fund Balance, end of year			<u>\$ 3,305</u>	

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

NOTES TO FINANCIAL STATEMENTS

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Centennial School District R-1 is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries. The County Treasurer collects the taxes and remits them to the school district. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

The District follows GASB Statement No. 14 which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, no entities will be included in the District's reporting entity. The District is not a component unit of any other entities.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The District follows all pronouncements of the Governmental Accounting Standards Board (GASB), which is the standard setting body. In conformance with Governmental Accounting and Financial Reporting Standards. The District is a tax-exempt entity for Federal income tax purposes.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Funds used by the District are described below.

General Fund – is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Governmental Designated Purpose Grant Fund – is the fund used to track the revenues, expenses and remaining balances of all grants.

Bond Redemption Fund – is the fund used to collect property taxes that have been levied to repay the general obligation bond and is also responsible for remitting payment on that bond.

Measurement Focus and Basis of Accounting

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Assets and Liabilities

Cash and cash equivalents- The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of 90 days or less at the date of their acquisition.

Investments - Investments are recorded at fair value, which approximates cost.

Receivables - All receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid expenses – Prepaid balances are for payments made by the District in the current year for items to be consumed in subsequent years.

Inventory – Purchased Inventory is stated at cost. The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture during the year. The value of these items are recorded at U.S. Department of Agriculture established values.

Capital assets - These consist of all property, plant and equipment. The District defines capital assets 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 if purchased or estimated historical cost if donated.

Depreciation of all exhaustible capital assets is charged as expense against operations. Accumulated depreciation is reported on the balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	50 years
Admin equipment	5 -15 years
Operational equipment	6 -10 years

Prepaid expenses – payments to vendors for services in which the benefit will be received in a future period are reported as prepaid expenses.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management has evaluated the collectability of the accounts and determined that no allowance for doubtful accounts is necessary.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued salaries and benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a 12-month period from August to July but are earned during the school year of approximately nine months. The accrued salaries and benefits earned, but unpaid, are reported as a liability of the funds. The District has implemented a use it or lose it policy for vacation, therefore no liability for compensated absences has been accrued.

Unavailable revenues – when assets are not available as current financial resources in the governmental funds they are recorded as unavailable revenues in deferred inflows of resources. These consist of payments from the District that will not be paid for 60 days or more and are typically revenues that are used to offset future expenses such as transportation or special education.

Long-Term debt is recorded as a liability in the government-wide financial statements. In the fund financial statements det proceeds are reported as other financing sources and debt payments are reported as debt service expenditures.

Bond Premium and Issuance Costs- In the government-wide financial statements bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bond premiums net of amortization were \$124,148 at June 30, 2024. Bond issuance costs are expensed when they are incurred.

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result, in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflows) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

1. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
3. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Governmental Activities has an unrestricted net position deficit as of June 30, 2024 related primarily to the net pension liability and the net OPEB liability. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

Fund Balance

Nonspendable- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District had a nonspendable fund balance was \$4,772 as of June 30, 2024 relating to inventory.

Restricted - General Fund – consists of amounts constrained to a specific purpose either contractually, through constitutional provisions, or through enabling legislation. The District had \$109,829 restricted for TABOR and \$231,289 restricted for preschool at June 30, 2024.

Committed- General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education formally removes or changes the specified uses. The District had a committed fund balance of \$266,517 as of June 30, 2024 relating to grants and capital projects.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. The District had an assigned fund balance of \$0 as of June 30, 2024.

Unassigned- consists of the residual classification for the General Fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

When resources are available for use from multiple components, it is the District’s policy to use the most restrictive resources first, then unrestricted resources as they are needed.

Property taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 15th and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

Budgets and Budgetary Accounting

Colorado State Statutes require the preparation of an annual budget which provides documentation that all sources and uses of District resources are properly planned, budgeted and approved. The budget, which upon adoption, is the legal document which places restrictions and limitation on the purposes and amounts for which District monies may be expended. Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior to May 31 management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1, for their approval. Prior to June 30 the budget is adopted by formal resolution. The budget includes proposed expenditures and the means for financing them. Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund may be approved by the Board of Directors. Actual expenditures exceeded budgeted expenditures for multiple funds for the year ended which may be a violation of state budget law.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash Deposits

As of June 30, 2024, the District's cash deposits had a carrying balance of \$6,536,197 with corresponding bank balance of \$6,612,484 of which \$750,000 is federally insured. The District had deposits in the amount of \$5,862,484 which are in excess of FDIC coverage. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. 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 uninsured deposits.

The Colorado Divisions 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. The District had \$5,862,484 collateralized under PDPA.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, none of the District's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

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

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

At June 30, 2024, the District had \$2,846,385 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+ - The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under section 24-75-601, C.R.S., as amended.

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to \$10.00. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2024, the Board had not adopted a formal investment policy.

NOTE 3 INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. Management has determined that all of the receivables are collectible, therefore no allowance for uncollectible receivables has been recorded at June 30, 2024.

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The effect of inter program transactions has been eliminated in the Statements of Net Position. The composition of inter program balances as of June 30, 2024 is as follows:

<u>Program</u>	<u>Due From Other Program</u>	<u>Due To Other Program</u>	<u>Total</u>
Student Activity Fund	\$ -	\$ (13,478)	\$ (13,478)
General Fund	13,478	(8,313)	5,165
Bond Redemption Fund	8,313	-	8,313
Total	\$ 21,791	\$ (21,791)	\$ -

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 5 CAPITAL ASSETS

As of June 30, 2024 capital assets consisted of the following:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Non-Depreciable				
Construction in progress	\$ 1,322,662	\$ 2,259,936	\$ -	\$ 3,582,598
	131,307	-	-	131,307
Total Non-Depreciable	<u>1,453,969</u>	<u>2,259,936</u>	<u>-</u>	<u>3,713,905</u>
Depreciable				
Buildings and improvements	22,504,032	-	-	22,504,032
Transportation equipment	490,618	-	-	490,618
Other equipment	1,121,786	458,551	-	1,580,337
Total Depreciable	<u>24,116,436</u>	<u>458,551</u>	<u>-</u>	<u>24,574,987</u>
Total Capital Assets	<u>25,570,405</u>	<u>2,718,487</u>	<u>-</u>	<u>28,288,892</u>
Accumulated Depreciation				
Buildings and improvements	(4,926,772)	(490,150)	-	(5,416,922)
Transportation equipment	(208,787)	(43,058)	-	(251,845)
Other equipment	(727,462)	(110,596)	-	(838,058)
Total Accumulated depreciation	<u>(5,863,021)</u>	<u>(643,804)</u>	<u>-</u>	<u>(6,506,825)</u>
Net Capital Assets	<u>\$ 19,707,384</u>	<u>\$ 2,074,683</u>	<u>\$ -</u>	<u>\$ 21,782,067</u>

Depreciation and expense was charged to the Instructional Program in the amount of \$600,746 and Student Transportation Services in the amount of \$43,058 for the year ended June 30, 2024.

NOTE 6 LONG-TERM DEBT

Changes in Long-term Debt during 2024 were as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/204	Due Within One Year
G.O. Bonds - 2012	\$ 4,020,000	\$ -	\$ 355,000	\$ 3,665,000	\$ 370,000
Bond Premium	143,640	-	19,492	124,148	19,492
Total Long-term Debt	<u>\$ 4,163,640</u>	<u>\$ -</u>	<u>\$ 374,492</u>	<u>\$ 3,789,148</u>	<u>\$ 389,492</u>

The District issued General Obligation Refunding Bonds, Series 2012 denominations of \$5,000, dated October 30, 2012, total issue \$6,010,000. The bonds were issued to refund a portion of the District's outstanding General Obligation Bonds, Series 2008. The Series 2008 Bonds matured on January 15, 2017. Interest, at a rate between 1.00% and 3.25%, is payable each January 15th and July 15th. Principal is due January 15, 2017, through maturity on January 15, 2033.

Bonds maturing on and before January 15, 2022, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after January 15, 2023, are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on January 15, 2022, and on any date thereafter, at a redemption price equal to the principal thereof (with no redemption premium), plus accrued interest to the redemption date.

All bonds noted above are the general obligations of the District and shall be payable from general and valorem taxes required to be levied, without limitation as to rate, and in amounts sufficient to pay the principal and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. Centennial School District R-1 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.

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 highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code. Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned.

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

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 AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2024: Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of 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).

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$326,924 for the year ended June 30, 2024.

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

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

At June 30, 2024 the District reported a liability of \$4,290,855 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$4,290,855
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	94,086
Total	\$4,384,941

At December 31, 2023, the District's proportion was .000242648447%, which was a decrease of .000012657128% from its proportion measured as of December 31, 2022.

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2024 the District recognized pension expense of \$91,680 and revenue of \$94,086 for support from the State as a nonemployer contributing entity. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 203,468	\$ -0-
Changes of assumptions or other inputs	-0-	-0-
Net difference between projected and actual earnings on pension plan investments	307,587	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,415	169,352
Contributions subsequent to the measurement date	193,655	N/A
Total	\$ 706,125	\$ 169,352

\$193,655 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2025	\$ 10,665
2026	150,085
2027	229,248
2028	104,915
Thereafter	\$ -0-

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**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

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%.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 7 DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the District 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	\$5,737,587	\$4,290,855	\$3,084,456

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

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. In addition, the District has agreed to match employee contributions up to XX% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$0 and the District recognized pension expense and a liability of \$0 and \$0, respectively, for the PERAPlus 401(k) Plan.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

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 District 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.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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.

According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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.

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the June 30, 2024 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$20,119 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$103,607 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.

At December 31, 2023, the District's proportion was .%, which was an increase of .0023937578% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2024, the District recognized OPEB expense of \$73,042. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -0-	\$ 21,235
Changes of assumptions or other inputs	1,218	10,986
Net difference between projected and actual earnings on OPEB plan investments	3,204	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,968	-0-
Contributions subsequent to the measurement date	9,693	N/A
Total	\$ 24,083	\$ 32,221

\$9,692 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability

in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2025	\$ (10,271)
2026	(4,338)
2027	44
2028	(2,649)
2029	(526)
Thereafter	(96)

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan	7.25%			
investment expenses, including price inflation				
Discount rate	7.25%			
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030			
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date. Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	203%
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		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

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

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The 2022 Medicare Part A premium is \$499 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 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 TOL 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 determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The December 31, 2022, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

⁺ Effective for the December 31, 2023, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2023 actuarial audit report, dated October 14, 2023, summarizing the results of the actuarial audit performed on the December 31, 2022, actuarial valuation.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$122,373	\$103,607	\$87,553

¹For the January 1, 2024, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.

**CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$122,373	\$103,607	\$87,553

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 9 CONTINGENCIES AND COMMITMENTS

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. These risks are covered by the Colorado School District's Self-Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

CENTENNIAL SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 9 CONTINGENCIES AND COMMITMENTS (Continued)

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenses have not been audited, but the District believes that disallowed expenses, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the District.

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded, unless the local electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations; however, the District believes it is exempt because it receives no taxes and is funded primarily by federal grants and contributions.

Required Supplementary Information

**CENTENNIAL SCHOOL DISTRICT R-1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan measurement date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability	0.0242648447%	0.0255305575%	0.0260478000%	0.0293903000%	0.0275628000%	0.0305136000%	0.0355676000%	0.0358302000%	0.0349579000%	0.0349027000%
The District's proportionate share of the net pension liability	\$ 4,290,855	\$ 4,648,978	\$ 3,031,278	\$ 4,443,213	\$ 4,117,822	\$ 5,403,067	\$ 11,501,312	\$ 10,668,029	\$ 5,346,556	\$ 4,730,490
State's Proportionate Share of the Net Pension Liability	94,086	1,354,763	347,497	-	522,293	649,926	-	-	-	-
District's covered payroll	1,604,124	1,968,746	1,780,285	1,534,668	1,619,495	1,654,103	1,668,099	1,632,853	1,569,945	1,480,434
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.80%	74.90%	67.00%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%
Net pension liability as a percentage of covered payroll	267.49%	236.14%	170.27%	289.52%	254.27%	326.65%	689.49%	653.34%	340.56%	319.53%

See the accompanying Independent Auditor's report.

**CENTENNIALSCHOOL DISTRICT R-1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan measurement date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Statutorily Required Contribution	326,921	396,437	353,921	305,073	313,852	316,430	315,056	300,188	278,517	250,068
Required Contribution	326,921	396,437	353,921	305,073	313,852	316,430	315,056	300,188	278,517	250,068
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	1,604,124	1,968,746	1,780,285	1,534,668	1,619,495	1,654,103	1,668,099	1,632,853	1,569,945	1,480,434
Contributions as a % of Covered Payroll	20.38%	20.14%	19.88%	19.88%	19.38%	19.13%	18.89%	18.38%	17.74%	16.89%

See the accompanying Independent Auditor's report.

**CENTENNIALSCHOOL DISTRICT R-1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan measurement date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Statutorily Required Contribution	16,362	20,081	18,159	15,654	16,519	16,872	17,015	16,655	16,013	15,100
Required Contribution	16,362	20,081	18,159	15,654	16,519	16,872	17,015	16,655	16,013	15,100
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	1,604,124	1,968,746	1,780,285	1,534,668	1,619,495	1,654,103	1,668,099	1,632,853	1,569,945	1,480,434
Contributions as a % of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying Independent Auditor's report.

**CENTENNIAL SCHOOL DISTRICT R-1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017
Plan measurement date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
District's proportion of the net OPEB liability	0.0145163384%	0.0255305575%	0.0170072461%	0.0170114746%	0.0180177448%	0.0198340136%	0.0202093967%	0.0203663020%
The District's proportionate share of the net OPEB liability	\$ 103,607	\$ 158,405	\$ 146,654	\$ 161,647	\$ 202,519	\$ 269,850	\$ 262,641	\$ 264,056
District's covered payroll	1,604,124	1,968,746	1,780,285	1,534,668	1,619,495	1,654,103	1,668,099	1,632,853
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	39.40%	10.28%	12.48%	16.09%	16.01%	16.42%	43.10%
Net OPEB liability as a percentage of covered payroll	6.46%	8.05%	8.24%	10.53%	12.51%	16.31%	15.74%	16.17%

* This schedule is designed to show 10 years comparison. Information for the prior years was not available to report and will be shown when it is available.

* This schedule is designed to show 10 years comparison. Information for the prior years was not available to report and will be shown when it is available.

See the accompanying Independent Auditor's report.

Other Supplementary Information

CENTENNIAL SCHOOL DISTRICT R-1
BALANCE SHEET-NONMAJOR FUNDS
June 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Non Major Funds</u>
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Building Fund</u>	<u>Capital Reserve Fund</u>	
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 61,187	\$ 132,661	\$ 3,990	\$ 66,810	\$ 264,648
Due from other governments	12,156	-	-	-	12,156
Inventory	4,772	-	-	-	4,772
Total Assets	\$ 78,115	\$ 132,661	\$ 3,990	\$ 66,810	\$ 281,576
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 3,520	\$ -	\$ -	\$ -	\$ 3,520
Accrued wages and benefits	3,697	-	-	-	3,697
Due to other funds	-	38,298	-	-	38,298
Total Liabilities	7,217	38,298	-	-	45,515
FUND BALANCE					
Nonspendable	4,772	-	-	-	4,772
Committed	66,126	94,363	3,990	66,810	231,289
Total Fund Balance	70,898	94,363	3,990	66,810	236,061
Total Liabilities, Fund Balance and Deferred Inflows of Resources	\$ 78,115	\$ 132,661	\$ 3,990	\$ 66,810	\$ 281,576

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-NONMAJOR FUNDS
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Non Major Funds</u>
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Building Fund</u>	<u>Capital Reserve Fund</u>	
REVENUES					
Local sources	\$ 2,528	\$ 72,162	\$ 1	\$ -	\$ 74,691
State sources	772	-	-	-	772
Federal sources	149,800	-	-	-	149,800
Total Revenues	<u>153,100</u>	<u>72,162</u>	<u>1</u>	<u>-</u>	<u>225,263</u>
EXPENDITURES					
Instruction	-	103,134	-	-	103,134
Food services	186,804	-	-	-	186,804
Capital Outlay	7,883	-	-	-	7,883
Total Expenditures	<u>194,687</u>	<u>103,134</u>	<u>-</u>	<u>-</u>	<u>297,821</u>
Revenue Over (Under) Expenditures	<u>(41,587)</u>	<u>(30,972)</u>	<u>1</u>	<u>-</u>	<u>(72,558)</u>
OTHER FINANCING SOURCES					
Transfer in (out)	25,000	10,000	-	-	35,000
Total Other Financing Sources	<u>25,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Net Change in Fund Balances	(16,587)	(20,972)	1	-	(37,558)
Fund Balance, beginning of year	87,485	115,335	3,989	66,810	273,619
Fund Balance, end of year	<u>\$ 70,898</u>	<u>\$ 94,363</u>	<u>\$ 3,990</u>	<u>\$ 66,810</u>	<u>\$ 236,061</u>

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Year Ended June 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
REVENUES			
Local sources	\$ 496,000	\$ 464,004	\$ (31,996)
Total Revenues	<u>496,000</u>	<u>464,004</u>	<u>(31,996)</u>
EXPENDITURES			
Debt service:			
Principal	245,000	355,000	(110,000)
Interest and fees	251,000	116,920	134,080
Total Expenditures	<u>496,000</u>	<u>471,920</u>	<u>24,080</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(7,916)</u>	<u>\$ (7,916)</u>
Fund Balance, beginning of year		<u>1,169,206</u>	
Fund Balance, end of year		<u>\$ 1,161,290</u>	

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with final budget Positive (negative)
REVENUES				
Local sources	\$ 2,000	\$ 2,000	\$ 2,528	\$ 528
State sources	-	-	772	772
Federal sources	154,267	167,590	149,800	(17,790)
Total Revenues	<u>156,267</u>	<u>169,590</u>	<u>153,100</u>	<u>(16,490)</u>
EXPENDITURES				
Food services	179,310	204,590	186,804	17,786
Capital outlay	-	-	7,883	(7,883)
Total Expenditures	<u>179,310</u>	<u>204,590</u>	<u>194,687</u>	<u>9,903</u>
Revenue Over (Under) Expenditures	(23,043)	(35,000)	(41,587)	(6,587)
OTHER FINANCING SOURCES				
Transfers	25,000	35,000	25,000	(10,000)
Net Change in Fund Balance	<u>\$ 1,957</u>	<u>\$ -</u>	<u>(16,587)</u>	<u>\$ (16,587)</u>
Fund Balance, beginning of year			87,485	
Fund Balance, end of year			<u>\$ 70,898</u>	

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STUDENT ACTIVITY FUND
For the Year Ended June 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
REVENUES			
Local sources	\$ 75,000	\$ 72,162	\$ (2,838)
Total Revenues	<u>75,000</u>	<u>72,162</u>	<u>(2,838)</u>
EXPENDITURES			
Instruction	<u>85,000</u>	<u>103,134</u>	<u>(18,134)</u>
Total Expenditures	<u>85,000</u>	<u>103,134</u>	<u>(18,134)</u>
Revenue Over (Under) Expenditures	(10,000)	(30,972)	(20,972)
OTHER FINANCING SOURCES			
Transfers	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(20,972)</u>	<u>\$ (20,972)</u>
Fund Balance, beginning of year		<u>115,335</u>	
Fund Balance, end of year		<u>\$ 94,363</u>	

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING FUND
For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
REVENUES			
Revenues	\$ -	\$ 1	\$ 1
Total Revenues	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
Fund Balance, beginning of year		<u>3,989</u>	
Fund Balance, end of year		<u>\$ 3,990</u>	

See the accompanying Independent Auditor's report.

CENTENNIAL SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE]
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
REVENUES			
Revenue	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Expense	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year		66,810	
Fund Balance, end of year		<u>\$ 66,810</u>	

See the accompanying Independent Auditor's report.

Single Audit

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

To the Board of Education
Centennial School District R-1

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Centennial School District R-1’s basic financial statements, and have issued our report thereon dated June 5, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Centennial School District R-1’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centennial School District R-1’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Centennial School District R-1’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of finding and questioned costs as items 2024-001.

States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Centennial School District R-1’s basic financial statements, and have issued our report thereon dated June 5, 2025.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Centennial School District R-1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Finding 2024-001.

Government Auditing Standards requires the auditor to perform limited procedures on the Centennial School District R-1's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Centennial School District R-1's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, the Board of Education, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

P. Andrew Hall, LLC

P. Andrew Hall, LLC
Corpus Christi, Texas
June 5, 2025

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Centennial School District R-1

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Centennial School District R-1 (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Centennial School District R-1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Centennial School District R-1 compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Centennial School District R-1 federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Centennial School District R-1 compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Centennial School District R-1 compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Centennial School District R-1 compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Centennial School District R-1 internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Centennial School District R-1 internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards requires the auditor to perform limited procedures on Centennial School District R-1 response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Centennial School District R-1's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

P. Andrew Hall, LLC

P. Andrew Hall, LLC
Corpus Christi
June 5, 2025

CENTENNIAL SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor	CFDA Number	Pass-through Grantor and Number	EXPENDITURES
Child Nutrition Cluster			
United States Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 4553/5553	\$ 31,182
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	93,115
Supply Chain Assistance	10.555	Colorado Department of Education, 6555	8,788
Total Child Nutrition Cluster			<u>133,085</u>
Total all Clusters			<u>133,085</u>
United States Department of Agriculture			
Child and Adult Care Food Program	10.558	Colorado Department of Public Health and Costilla County, 4558	4,522
Summer Food Service Program	10.559	Colorado Department of Education, 4559	1,096
Fresh Fruit and Vegetable	10.582	Colorado Department of Education, 4582	7,168
Summer EBT - Federal - Distributions	10.646	Colorado Department of Education, 4646	800
Total United States Department of Agriculture			<u>13,586</u>
United States Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710	Colorado Department of Public Safety, 7809	138,973
Total United States Department of Justice			<u>138,973</u>
United States Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010	205,217
Every Student Succeeds Act (ESSA), Title I, Part A	84.010	Colorado Department of Education, 5010	41,500
Rural Education	84.358	Colorado Department of Education, 6358	5,926
Supporting Effective Instruction	84.367	Colorado Department of Education, 4367	19,520
Student Support and Academic Enrichment	84.424	Colorado Department of Education, 4424	15,686
Stronger Connections Grant Program (SCG)	84.424F	Colorado Department of Education, 4451	41,152
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4425,4420,5525	328,380
State Personnel Development Grants (COMTSS)	84.323A	Colorado Department of Education, 5323	23,235
Total United States Department of Education			<u>680,616</u>
Total Expenditures of Federal Awards			<u>\$ 966,260</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal financial assistance provided to sub recipients is treated as an expenditure when it is paid to the sub-recipient. The District passed through \$0 to sub-recipients for the year then ended.

The District does not use the de minimis indirect cost rate of 10%.

Food Service inventory consisted of purchased and donated commodities. Purchased inventories are stated at cost whereas donated commodities are valued at their estimated fair market value at the date of receipt

**CENTENNIAL SCHOOL DISTRICT R-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024**

I. Summary of Auditor's Results

A. Financial Statements

- | | | |
|---|------------|------------------------------|
| 1. Type of auditor's report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| - Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| - Significant deficiency(ies) identified that are not considered to be material | _____ Yes | _____ <u>X</u> None Reported |
| 3. Noncompliance material to financial statements noted? | _____ Yes | _____ <u>X</u> No |

B. Federal Awards

- | | | |
|--|------------|-------------------|
| 1. Internal control over major programs: | | |
| - Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| - Significant deficiency(ies) identified that are not considered to be material | _____ Yes | _____ <u>X</u> No |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified | |
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? | _____ Yes | _____ <u>X</u> No |

3. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.425U	COVID-19 Education Stabilization Fund
16.710	Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?:	_____ Yes	_____ <u>X</u> No
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CENTENNIAL SCHOOL DISTRICT R-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
Year Ended June 30, 2024

Section II - Financial Statement Finding

None reported.

Section III - Federal Award Finding and Questioned Costs

Finding 2024-001: Single Audit Submission to the Federal Audit Clearinghouse

Program:

84.425U – COVID-19 Education Stabilization Fund
16.710 – Public safety Partnership and Community Policing Grants

Criteria:

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, §.320, requires the District to submit its Single Audit Reporting Package to the federal clearinghouse no later than 9 months after fiscal year-end, unless the federal oversight agency approves an extension of this deadline.

Condition:

The federal reporting deadline for the Centennial school District R-1 Audit Reporting Package was March 31, 2025; however, the Centennial School District R-1 did not issue its Single Audit Reporting Package until June 2025.

Cause:

The single audit was not completed by March 31, 2025, because the Annual Financial Report was not ready until June 2025. Due to the transition of auditors, the District experienced delays in completing the audit and issuing the Annual Financial Report.

Effect:

The late submission affects the federal programs. This finding is a deficiency in internal control over compliance and noncompliance with the Uniform Guidance.

Recommendation:

The District should improve its financial reporting process so that it can submit its Single Audit Reporting Package to the federal clearinghouse no later than 9 months after the fiscal year-end.

Management Response and Corrective Action:

Centennial School District R-1 Finance Department believes it has now worked through delays in the audit process (with auditors) and expects to complete its financial reporting obligations timely going forward.

**CITY OF ROCKPORT, TEXAS
SUMMARY STATUS OF PRIOR YEAR FINDINGS
Year Ended June 30, 2024**

Finding 2023-001 Internal Control Over Financial Reporting and Compliance with State Budget Laws (Repeat finding of 2022-001).

Status – Uncorrected.

2023-002 Special Reporting

Status – Uncorrected.

CDE COMPLIANCE SECTION



Colorado Department of Education

Auditors Integrity Report

District: 0640 - Centennial R-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	3,459,969	3,368,685	3,411,945	3,416,709
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	362,137	375,021	341,662	395,496
Sub- Total	3,822,106	3,743,706	3,753,608	3,812,205
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	87,485	178,101	194,687	70,899
22 Govt Designated-Purpose Grants Fund	3,306	3,005,437	3,005,436	3,307
23 Pupil Activity Special Revenue Fund	115,336	82,161	103,135	94,363
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,169,206	517,707	471,920	1,214,993
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	3,989	1	0	3,990
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	66,809	0	0	66,809
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	5,268,238	7,527,114	7,528,786	5,266,566
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

0

FINAL