

**EDISON SCHOOL DISTRICT 54JT
YODER, COLORADO**

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2024

EDISON SCHOOL DISTRICT 54JT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Edison School District 54JT
Yoder, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edison School District 54JT (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Emphasis of Matter

As described in Note 9 to the financial statements, as of and for the year ended June 30, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and budgetary comparison schedules 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

July 31, 2025
Bailey, Colorado

BASIC FINANCIAL STATEMENTS

EDISON SCHOOL DISTRICT 54JT
STATEMENT OF NET POSITION
June 30, 2024

	<u>PRIMARY GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$ 4,374,829
Taxes Receivable	187,335
Grants Receivable	35,581
Inventory	1,316
Capital Assets, <i>Not Being Depreciated</i>	8,512
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>15,183,370</u>
TOTAL ASSETS	<u>19,790,943</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	420,582
OPEB, <i>Net of Accumulated Amortization</i>	<u>7,507</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>428,089</u>
LIABILITIES	
Accounts Payable	22,508
Other Liabilities	20,000
Accrued Salaries and Benefits	127,876
Unearned Revenue	142,863
Accrued Interest Payable	917
Noncurrent Liabilities	
Due Within One Year	20,000
Due in More Than One Year	213,041
Net Pension Liability	2,564,485
Net OPEB Liability	<u>61,922</u>
TOTAL LIABILITIES	<u>3,173,612</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	316,987
OPEB, <i>Net of Accumulated Amortization</i>	<u>52,992</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>369,979</u>
NET POSITION	
Net Investment in Capital Assets	14,958,841
Restricted for:	
Debt Service	127,261
Emergencies	80,000
Food Service	12,855
Unrestricted	<u>1,496,484</u>
TOTAL NET POSITION	<u><u>\$ 16,675,441</u></u>

EDISON SCHOOL DISTRICT 54JT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction	\$ 1,266,240	\$ 5,221	\$ 102,193	\$ (1,158,826)
Supporting Services	998,616	29,279	73,262	(896,075)
Food Services	65,681	4,910	48,421	(12,350)
Interest on Long-Term Debt	11,257	-	-	(11,257)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 2,341,794	\$ 39,410	\$ 223,876	(2,078,508)
	GENERAL REVENUES			
				244,190
				16,049
				2,130,988
				25,049
				194,914
				398,545
				3,009,735
				931,227
				17,323,695
				(1,579,481)
				15,744,214
				\$ 16,675,441

See Notes to the Financial Statements.

EDISON SCHOOL DISTRICT 54JT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	<u>GENERAL</u>	<u>FOOD SERVICE</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash	\$ 4,176,172	\$ -	\$ -
Taxes Receivable	162,839	-	-
Grants Receivable	35,581	-	-
Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>4,374,592</u>	\$ <u>-</u>	\$ <u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 22,357	\$ -	\$ -
Other Liabilities	20,000	-	-
Accrued Salaries and Benefits	127,876	-	-
Unearned Revenue	142,863	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>313,096</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	162,839	-	-
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Nonspendable Inventory	-	-	-
Restricted for:			
Emergencies	80,000	-	-
Food Service	-	-	-
Debt Service	-	-	-
Committed to Insurance	72,793	-	-
Assigned to Student Activities	-	-	-
Unassigned	3,745,864	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>3,898,657</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ <u>4,374,592</u>	\$ <u>-</u>	\$ <u>-</u>

<u>PUPIL ACTIVITY</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>		<u>TOTAL</u>
\$ -	\$ 198,657	\$ 4,374,829	
-	24,496	187,335	
-	-	35,581	
-	1,316	1,316	
<u>-</u>	<u>224,469</u>	<u>4,599,061</u>	
\$ -	\$ 151	\$ 22,508	
-	-	20,000	
-	-	127,876	
-	-	142,863	
<u>-</u>	<u>151</u>	<u>313,247</u>	
<u>-</u>	<u>24,496</u>	<u>187,335</u>	
-	1,316	1,316	
-	-	80,000	
-	12,855	12,855	
-	127,261	127,261	
-	-	72,793	
-	58,390	58,390	
-	-	3,745,864	
<u>-</u>	<u>199,822</u>	<u>4,098,479</u>	
\$ <u>-</u>	\$ <u>224,469</u>	\$ <u>4,599,061</u>	

EDISON SCHOOL DISTRICT 54JT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	4,098,479
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		15,191,882
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		187,335
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(917)
Bonds Payable		(233,041)
Accrued Compensated Absences		-
Net Pension Liability		(2,564,485)
Pension-Related Deferred Outflows of Resources		420,582
Pension-Related Deferred Inflows of Resources		(316,987)
Net OPEB Liability		(61,922)
OPEB-Related Deferred Outflows of Resources		7,507
OPEB-Related Deferred Inflows of Resources		(52,992)
		16,675,441
Total Net Position of Governmental Activities	\$	16,675,441

EDISON SCHOOL DISTRICT 54JT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL	FOOD SERVICE	DEBT SERVICE
REVENUES			
Local Sources	\$ 293,045	\$ -	\$ -
County Sources	18	-	-
State Sources	2,240,618	-	-
Federal Sources	67,278	-	-
 TOTAL REVENUES	 2,600,959	 -	 -
EXPENDITURES			
Current			
Instruction	976,174	-	-
Supporting Services	1,204,206	-	-
Food Services	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
 TOTAL EXPENDITURES	 2,180,380	 -	 -
 EXCESS REVENUES OVER (UNDER) EXPENDITURES	 420,579	 -	 -
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	398,545	-	-
Transfers In	-	-	-
Transfers Out	(68,687)	-	-
 TOTAL OTHER FINANCING SOURCES (USES)	 329,858	 -	 -
 CHANGE IN FUND BALANCES	 750,437	 -	 -
FUND BALANCES, Beginning, as Originally Stated	3,187,627	(35,471)	150,136
Reclassification of Major to Nonmajor Funds	-	35,471	(150,136)
Correction - Combined with General Fund	73,306	-	-
Correction of Errors	(112,713)	-	-
 FUND BALANCES, Beginning, as Restated	 3,148,220	 -	 -
 FUND BALANCES, Ending	 \$ 3,898,657	 \$ -	 \$ -

STUDENT ACTIVITY	INSURANCE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ -	\$ -	\$ 39,214	\$ 332,259
-	-	-	18
-	-	6,387	2,247,005
-	-	40,581	107,859
-	-	86,182	2,687,141
-	-	15,664	991,838
-	-	250	1,204,456
-	-	70,923	70,923
-	-	20,000	20,000
-	-	11,500	11,500
-	-	118,337	2,298,717
-	-	(32,155)	388,424
-	-	-	398,545
-	-	68,687	68,687
-	-	-	(68,687)
-	-	68,687	398,545
-	-	36,532	786,969
48,625	-	-	3,350,917
(48,625)	-	163,290	-
-	-	-	73,306
-	-	-	(112,713)
-	-	163,290	3,311,510
\$ -	\$ -	\$ 199,822	\$ 4,098,479

EDISON SCHOOL DISTRICT 54JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	786,969
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:		
Depreciation Expense		(527,441)
Capital Outlay		85,000
Loss on Disposal of Capital Assets		(6,282)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		
		187,335
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		33,116
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		243
Accrued Compensated Absences		20,809
Net Pension Liability		44,527
Pension-Related Deferred Outflows of Resources		(74,146)
Pension-Related Deferred Inflows of Resources		357,680
Net OPEB Liability		27,075
OPEB-Related Deferred Outflows of Resources		13,664
OPEB-Related Deferred Inflows of Resources		(17,322)
Change in Net Position of Governmental Activities	\$	<u>931,227</u>

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Edison School District 54JT (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental fund:

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

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

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 60 days of the end of the current year, except federal and state revenues.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

Inventory – Food Service Fund inventory are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Site Improvements	10 - 40 years
Equipment and Vehicles	7 - 10 years

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Unearned Revenues – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Deferred Inflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt, financed purchase agreements, and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Full-time certified personnel are allowed to accumulate paid-time off with an annual carryover of six days per year and a maximum carryover of 30 days. Non-certified full-time personnel obtain compensated absences in the form of vacations and sick days. Employees with more than three years of service are paid out at 50 percent of the substitute rate.

Pensions – The District participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and his designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of \$4,138,979 collateralized with securities held by the financial institution’s agent but not in the District’s name.

NOTE 3: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers’ compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP’s agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: Capital Assets

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balance 6/30/2023, As Restated	Additions	Deletions	Balance 6/30/2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,512	\$ -	\$ -	\$ 8,512
Capital Assets, Being Depreciated:				
Buildings and Improvements	19,066,730	85,000	-	19,151,730
Equipment	764,085	-	-	764,085
Vehicles	320,926	-	111,644	209,282
Food Service	110,609	-	-	110,609
Total Capital Assets, Being Depreciated	<u>20,262,350</u>	<u>85,000</u>	<u>111,644</u>	<u>20,235,706</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,882,937)	(471,896)	-	(4,354,833)
Equipment	(399,482)	(40,845)	-	(440,327)
Vehicles	(237,229)	(14,700)	(105,362)	(146,567)
Food Service	(110,609)	-	-	(110,609)
Total Accumulated Depreciation	<u>(4,630,257)</u>	<u>(527,441)</u>	<u>(105,362)</u>	<u>(5,052,336)</u>
Total Capital Assets, Being Depreciated, Net	<u>15,632,093</u>	<u>(442,441)</u>	<u>6,282</u>	<u>15,183,370</u>
Capital Assets, Governmental Activities, Net	<u>\$ 15,640,605</u>	<u>\$ (442,441)</u>	<u>\$ 6,282</u>	<u>\$ 15,191,882</u>

Depreciation expense of the governmental activities was charged to the District's programs as follows:

Instruction	\$ 465,507
Supporting Services	57,467
Food Service	4,467
Total	<u>\$ 527,441</u>

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2024.

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Due in One Year
Governmental Activities					
G.O. Bonds, Series 2008	\$ 240,000	\$ -	\$ 20,000	\$ 220,000	\$ 20,000
Financed Purchase	13,116	-	13,116	-	-
Compensated absences	16,925	-	3,884	13,041	-
Total	<u>\$ 270,041</u>	<u>\$ -</u>	<u>\$ 37,000</u>	<u>\$ 233,041</u>	<u>\$ 20,000</u>

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: Long-Term Debt (Continued)

In March 2008, the District issued the General Obligation Bonds, Series 2008, in the amount of \$450,000 for the purpose of acquisition, construction, equipping and furnishing a new school. Principal payments are due annually on December 1st, through 2032. Interest is accrued at an interest rate ranging 4.8% - 5% per annum. Payments due semi-annually on June 1st and December 1st. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District. Bond payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 20,000	\$ 10,500	\$ 30,500
2026	20,000	9,500	29,500
2027	20,000	8,500	28,500
2028	25,000	7,375	32,375
2029	25,000	6,125	31,125
2030-2033	110,000	11,500	121,500
Total	\$ 220,000	\$ 53,500	\$ 273,500

In 2020, the District entered into a financed purchase agreement with Leasing Specialists, LLC for the acquisition of a 71-passenger bus. The agreement required annual lease payments of \$13,140 beginning in May 2020 and ending in May 2024. At June 30, 2024, the financed purchase was paid in full.

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 20 years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2024 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2023, through June 30, 2024. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The District's contributions to the SDTF for the year ended June 30, 2024, were \$192,723, equal to the required contributions.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF. Direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, CRS § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added CRS § 24-51-414(9) provides compensatory payment of \$14.561 million for 2023 only.

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

The net pension liability was measured at December 31, 2023, and the total pension liability 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 total pension liability to December 31, 2023.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2023, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the District's proportion was 0.0145021991%, which was an increase of 0.0001744203% from its proportion measured at December 31, 2022.

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

District's proportionate share of the net pension liability	\$ 2,564,485
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>56,232</u>
Total	<u>\$ 2,620,717</u>

For the year ended June 30, 2024, the District recognized pension expense of (\$36,299) and a revenue of (\$5,264) 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,607	\$ -
Net difference between projected and actual earnings on plan investments	183,836	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	18,634	316,987
Contributions subsequent to the measurement date	<u>96,505</u>	<u>-</u>
Total	<u>\$ 420,582</u>	<u>\$ 316,987</u>

District contributions subsequent to the measurement date of \$96,505 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ (184,295)
2026	68,303
2027	174,340
2028	<u>(51,258)</u>
Total	<u>\$ 7,090</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis 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 and asset/liability studies performed every three to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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, required adjustments resulting from the 2018 and 2020 AAP assessments. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Proportionate share of the net pension liability	\$ 3,429,143	\$ 2,564,485	\$ 1,843,465

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carryout the purposes of the PERACare program, including administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating 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). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

CRS § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 6) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2024, was \$9,646, equal to the required amount.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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 net OPEB liability of \$61,922, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability 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 total OPEB liability 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 ended December 31, 2023, relative to the contributions of all participating employers.

At December 31, 2023, the District's proportion was 0.0086758661%, which was a decrease of 0.0022242712% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$29,748). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,691
Changes of assumptions and other inputs	728	6,565
Net difference between projected and actual earnings on plan investments	1,915	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	34	33,736
Contributions subsequent to the measurement date	4,830	-
Total	\$ 7,507	\$ 52,992

District contributions subsequent to the measurement date of \$4,830 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ (15,179)
2026	(11,239)
2027	(8,031)
2028	(8,947)
2029	(4,957)
2030	(1,962)
Total	\$ (50,315)

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, the plan options include 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 to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2023 for the PERA Benefit Structure:

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

The 2022 Medicare Part A premium is \$506 per month. All costs are subject to the health care cost trend rates.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Measurement 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%

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2023 plan year. The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status from actuary's claims data warehouse. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, 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 performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Based on the above assumptions and methods, the HCTF’s fiduciary net position 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s proportionate share of the net 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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates (7.25%)</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 60,145</u>	<u>\$ 61,922</u>	<u>\$ 63,855</u>

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:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 73,138</u>	<u>\$ 61,922</u>	<u>\$ 52,327</u>

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

On November 4, 1997, the voters of the District approved a referendum for Edison School District 54JT. The voters authorized the District to collect, retain and expend all revenues and other funds collected 1998 and each subsequent year from any source notwithstanding the limitations of Article, Section 20 of the Colorado Constitution, effective January 1, 1998, provided that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed without the prior approval of the voters of the District.

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$80,000.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 9: Correction of Errors and Reclassification of Funds

The District identified corrections of errors to the beginning net position on the government-wide financial statements and beginning fund balance in the General Fund for the prior fiscal year ended June 30, 2023. In addition, the Insurance Fund beginning fund balance was reclassified to the General Fund, because the Insurance Fund did not comply with Government Accounting Standards Board (GASB) Statement No. 54. This was required in order to correct beginning net position and beginning fund balances related to capital assets (expenses), pensions and OPEB related items, cash, revenues, accounts receivable (revenues), accrued salaries and benefits (expenditures), accounts payable (expenditures), and unearned revenue for the fiscal year ended June 30, 2023, in the following amounts:

	General Fund	Insurance Fund	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 3,187,627	\$ 73,306	\$ 3,424,223	\$ 17,323,695
Correction - Combine Insurance Fund with General Fund	73,306	(73,306)	-	-
Capital Assets, Net of Accumulated Depreciation	-	-	-	(23,698)
Deferred Outflows of Resources - Pensions	-	-	-	(616,025)
Deferred Inflows of Resources - Pensions	-	-	-	(209,704)
Net Pension Liability	-	-	-	(588,731)
Deferred Outflows of Resources - OPEB	-	-	-	(14,678)
Deferred Inflows of Resources - OPEB	-	-	-	(13,932)
Cash	6,850	-	6,850	6,850
Revenues - State Sources	(214,722)	-	(214,722)	(214,722)
Accounts Receivable	2,595	-	2,595	2,595
Accrued Salaries and Benefits	158,647	-	158,647	158,647
Accounts Payable	36,484	-	36,484	36,484
Unearned Revenue	(102,567)	-	(102,567)	(102,567)
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 3,148,220</u>	<u>\$ -</u>	<u>\$ 3,311,510</u>	<u>\$ 15,744,214</u>

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed \$68,014 to the BOCES. Separate financial statements for the BOCES are available at 2883 South Circle Drive, Colorado Springs, CO 80906, or online at <https://www.ppboces.org>.

NOTE 11: Related-Party Transactions

Several Board of Education members are also employees of the District. Mitigating controls have been implemented in order to mitigate any conflicts of interest.

REQUIRED SUPPLEMENTARY INFORMATION

EDISON SCHOOL DISTRICT 54JT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 2,464,939	\$ 2,464,939	\$ 50,212	\$ (2,414,727)
Specific Ownership Taxes	223,678	223,678	13,817	(209,861)
Tuition and Fees	-	-	5,221	5,221
Rental Income	-	-	3,850	3,850
Investment Income	20,000	20,000	198,745	178,745
Miscellaneous	18,740	18,740	21,200	2,460
County Sources	15	15	18	3
State Grants	3,481,798	2,584,854	2,240,618	(344,236)
Federal Grants	65,927	65,927	67,278	1,351
TOTAL REVENUES	6,275,097	5,378,153	2,600,959	(2,777,194)
EXPENDITURES				
Current				
Instruction	1,416,184	1,364,591	976,174	388,417
Supporting Services				
Students	38,755	38,755	34,344	4,411
Instructional Staff	10,601	10,601	12,442	(1,841)
General Administration	164,191	158,191	183,274	(25,083)
School Administration	37,282	37,282	2,799	34,483
Business Services	211,449	211,449	214,093	(2,644)
Operations and Maintenance	510,694	443,289	399,677	43,612
Student Transportation	180,769	180,769	101,790	78,979
Central Support	174,386	185,045	255,787	(70,742)
Contingency	143,000	143,000	-	143,000
Total Supporting Services	1,471,127	1,408,381	1,204,206	204,175
TOTAL EXPENDITURES	2,887,311	2,772,972	2,180,380	592,592
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,387,786	2,605,181	420,579	(2,184,602)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	-	398,545	398,545
Transfers Out	(107,115)	(25,977)	(68,687)	(42,710)
TOTAL OTHER FINANCING SOURCES (USES)	(107,115)	(25,977)	329,858	355,835
CHANGE IN FUND BALANCE	3,280,671	2,579,204	750,437	(1,828,767)
FUND BALANCE, Beginning, as Originally Stated	-	-	3,187,627	3,187,627
Reclassification of Insurance Fund	62,096	62,096	73,306	11,210
Correction of Errors	-	-	(112,713)	(112,713)
FUND BALANCE, Beginning, as Restated	62,096	62,096	3,148,220	3,086,124
FUND BALANCE, Ending	\$ 3,342,767	\$ 2,641,300	\$ 3,898,657	\$ 1,257,357

EDISON SCHOOL DISTRICT 54JT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0145021991%	0.0143277788%	0.0188153086%	0.0216742741%
District's Proportionate Share of the Net Pension Liability	\$ 2,564,485	\$ 2,020,281	\$ 1,964,412	\$ 1,159,316
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>56,232</u>	<u>588,730</u>	<u>225,195</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 2,620,717</u>	<u>\$ 11,405,579</u>	<u>\$ 14,390,797</u>	<u>\$ 13,880,496</u>
District's Covered Payroll	\$ 958,724	\$ 1,125,074	\$ 1,175,895	\$ 1,684,428
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267%	180%	167%	69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	62%	75%	67%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>06/30/21</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 192,723	\$ 224,396	\$ 233,768	\$ 234,302
Contributions in Relation to the Statutorily Required Contribution	<u>(192,723)</u>	<u>(224,396)</u>	<u>(233,768)</u>	<u>(234,302)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 945,647	\$ 1,125,074	\$ 1,175,895	\$ 1,180,067
Contributions as a Percentage of Covered Payroll	20.38%	19.94%	19.88%	19.85%

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
0.0196095903%	0.0200303669%	0.0222182104%	0.0220739320%	0.0219419078%	0.0234246541%
\$ 1,152,237	\$ 1,101,177	\$ 1,024,900	\$ 935,292	\$ 956,223	\$ 943,335
<u>329,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 16,525,189</u>	<u>\$ 30,975,844</u>	<u>\$ 24,884,626</u>	<u>\$ 15,150,542</u>	<u>\$ 14,314,484</u>	<u>\$ 14,052,129</u>
\$ 2,097,377	\$ 1,864,704	\$ 1,820,709	\$ 1,732,638	\$ 1,873,716	\$ 1,891,185
55%	59%	56%	54%	51%	50%
65%	57%	44%	43%	59%	63%
<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
\$ 227,152	\$ 216,165	\$ 200,153	\$ 183,235	\$ 172,001	\$ 163,658
<u>(227,152)</u>	<u>(216,165)</u>	<u>(200,153)</u>	<u>(183,235)</u>	<u>(172,001)</u>	<u>(163,658)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,172,710	\$ 1,130,428	\$ 1,060,246	\$ 994,553	\$ 969,741	\$ 970,138
19.37%	19.12%	18.88%	18.42%	17.74%	16.87%

EDISON SCHOOL DISTRICT 54JT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
District's Proportion of the Net OPEB Liability	0.0086758661%	0.0109001373%	0.0122849469%
District's Proportionate Share of the Net OPEB Liability	\$ 463,935	\$ 88,979	\$ 119,126
District's Covered Payroll	\$ 958,724	\$ 1,125,074	\$ 1,175,895
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	48.39%	7.91%	10.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46%	39%	39%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS			
Statutorily Required Contribution	\$ 9,646	\$ 11,251	\$ 11,994
Contributions in Relation to the Statutorily Required Contribution	<u>(9,646)</u>	<u>(11,251)</u>	<u>(11,994)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 945,647	\$ 1,125,074	\$ 1,175,895
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, presentation will be shown for the years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0125365842%	0.0128146214%	0.0130198434%	0.0126243051%
\$ 119,126	\$ 144,036	\$ 177,140	\$ 164,065
\$ 1,684,428	\$ 2,097,377	\$ 1,864,704	\$ 1,820,709
7.07%	6.87%	9.50%	9.01%
33%	24%	17%	18%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 12,037	\$ 12,020	\$ 11,530	\$ 10,865
<u>(12,037)</u>	<u>(12,020)</u>	<u>(11,530)</u>	<u>(10,865)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 1,180,067	\$ 1,172,710	\$ 1,130,428	\$ 1,060,246
1.02%	1.02%	1.02%	1.02%

EDISON SCHOOL DISTRICT 54JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the District's Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

At June 30, 2024, the District's food service fund, debt service fund, and insurance fund budgeted expenditures exceeded available resources by \$25,976, \$21,000, and \$362, respectively. This may be a violation of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

HCTF Plan - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
BUDGETARY COMPARISON SCHEDULES**

EDISON SCHOOL DISTRICT 54JT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	FOOD SERVICE	STUDENT ACTIVITY	DEBT SERVICE	TOTAL
ASSETS				
Cash	\$ 13,006	\$ 58,390	\$ 127,261	\$ 198,657
Taxes Receivable	-	-	24,496	24,496
Inventory	1,316	-	-	1,316
TOTAL ASSETS	\$ 14,322	\$ 58,390	\$ 151,757	\$ 224,469
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 151	\$ -	-	\$ 151
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	\$ -	\$ -	\$ 24,496	\$ 24,496
FUND BALANCES				
Nonspendable Inventory	1,316	-	-	1,316
Restricted for:				
Food Service	12,855	-	-	12,855
Debt Service	-	-	127,261	127,261
Assigned to Student Activities	-	58,390	-	58,390
TOTAL FUND BALANCES	14,171	58,390	127,261	199,822
TOTAL LIABILITIES AND AND FUND BALANCES	\$ 14,322	\$ 58,390	\$ 151,757	\$ 224,469

EDISON SCHOOL DISTRICT 54JT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	FOOD SERVICE	STUDENT ACTIVITY	DEBT SERVICE	TOTAL
REVENUES				
Local Sources	\$ 4,910	\$ 25,429	\$ 8,875	\$ 39,214
State Sources	6,387	-	-	6,387
Federal Sources	40,581	-	-	40,581
 TOTAL REVENUES	 51,878	 25,429	 8,875	 86,182
EXPENDITURES				
Current				
Instruction	-	15,664	-	15,664
Supporting Services	-	-	250	250
Food Services	70,923	-	-	70,923
Debt Services				
Principal	-	-	20,000	20,000
Interest	-	-	11,500	11,500
 TOTAL EXPENDITURES	 70,923	 15,664	 31,750	 118,337
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (19,045)	 9,765	 (22,875)	 (32,155)
OTHER FINANCING SOURCES				
Transfers In	68,687	-	-	68,687
 CHANGE IN FUND BALANCES	 49,642	 9,765	 (22,875)	 36,532
FUND BALANCES, Beginning, as Originally Stated	-	-	-	-
Reclassification of Major Funds to Nonmajor Funds	(35,471)	48,625	150,136	163,290
FUND BALANCES, Beginning, as Restated	(35,471)	48,625	150,136	163,290
FUND BALANCES, Ending	\$ 14,171	\$ 58,390	\$ 127,261	\$ 199,822

EDISON SCHOOL DISTRICT 54JT
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Fees	\$ 9,400	\$ 12,900	\$ 4,910	\$ (7,990)
Miscellaneous	179	-	-	-
State Grants	600	5,490	6,387	897
Federal Grants	16,000	30,562	40,581	10,019
TOTAL REVENUES	<u>26,179</u>	<u>48,952</u>	<u>51,878</u>	<u>2,926</u>
EXPENDITURES				
Current				
Salaries	23,800	27,800	26,449	1,351
Benefits	11,461	6,744	6,224	520
Purchased Services	2,000	2,000	1,828	172
Supplies and Materials	52,600	38,600	36,097	2,503
Other	1,100	1,100	325	775
TOTAL EXPENDITURES	<u>90,961</u>	<u>76,244</u>	<u>70,923</u>	<u>5,321</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(64,782)</u>	<u>(27,292)</u>	<u>(19,045)</u>	<u>8,247</u>
OTHER FINANCING SOURCES				
Transfers In	68,687	-	-	-
CHANGE IN FUND BALANCE	3,905	(27,292)	(19,045)	8,247
FUND BALANCE, Beginning	<u>1,316</u>	<u>1,316</u>	<u>(35,471)</u>	<u>(36,787)</u>
FUND BALANCE, Ending	<u>\$ 5,221</u>	<u>\$ (25,976)</u>	<u>\$ (54,516)</u>	<u>\$ (28,540)</u>

EDISON SCHOOL DISTRICT 54JT
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 21,118	\$ 21,118	\$ 25,429	\$ 4,311
TOTAL REVENUES	<u>21,118</u>	<u>21,118</u>	<u>25,429</u>	<u>4,311</u>
EXPENDITURES				
Current				
Supporting Services	<u>37,452</u>	<u>37,452</u>	<u>15,664</u>	<u>21,788</u>
CHANGE IN FUND BALANCE	(16,334)	(16,334)	9,765	26,099
FUND BALANCE, Beginning	<u>16,334</u>	<u>16,334</u>	<u>48,625</u>	<u>32,291</u>
FUND BALANCE, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 58,390</u></u>	<u><u>\$ 58,390</u></u>

EDISON SCHOOL DISTRICT 54JT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 40,000	\$ 40,000	\$ 8,875	\$ (31,125)
EXPENDITURES				
Debt Service				
Principal	20,000	20,000	20,000	-
Interest	12,480	12,480	11,500	980
Fees and Charges	550	550	250	300
Contingency	168,511	168,511	-	168,511
TOTAL EXPENDITURES	<u>201,541</u>	<u>201,541</u>	<u>31,750</u>	<u>169,791</u>
CHANGE IN FUND BALANCE	(161,541)	(161,541)	(22,875)	138,666
FUND BALANCE, Beginning	<u>140,541</u>	<u>140,541</u>	<u>150,136</u>	<u>9,595</u>
FUND BALANCE, Ending	<u>\$ (21,000)</u>	<u>\$ (21,000)</u>	<u>\$ 127,261</u>	<u>\$ 148,261</u>