

OURAY COUNTY SCHOOL DISTRICT R-1
OURAY, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2024

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Board of Education
Ouray County School District R-1
Ouray, Colorado

INDEPENDENT AUDITOR’S REPORT

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Ouray County School District R-1 as of June 30, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Ouray County District R-1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ouray County School R-1’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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.

Auditor's Responsibilities for the Audit of the Financial Statements - continued

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 risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ouray County School District R-1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ouray County School District R-1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension disclosure information, listed as "required supplementary information" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouray County School District R-1's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "supplementary information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
March 17, 2025

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Ouray School was originally built in 1883, although the history of education in Ouray began in the summer of 1876 with Elizabeth King as the first teacher in Ouray. Today the Ouray County School District R-1 is a public school district providing K-12 education which strives to maintain an overall goal of being in the top 10% District as categorized by the Colorado Department of Education.

The discussion and analysis of the Ouray County School District R-1's financial performance provides an overall review of the District's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2024, the District's share of the PERA net pension liability is approximately \$5.64 million and the District's share of the PERA HCTF net OPEB liability is \$136 thousand.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$9.159 million after application of GASB Statements No. 68 and No. 75 which are discussed in more detail on page 11 and in the notes to the financial statements. Fund level financial statements are not impacted by GASB 68 and 75 reporting.
- The District's total net position of governmental activities increased by \$835 thousand, primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its increase in governmental fund balances of \$628 thousand. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 16 and a discussion of the differences between the two accounting methodologies is discussed below.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouray County School District R-1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For the Ouray County School District R-1, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during the current fiscal year?” The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash was received or paid.

The focus of government-wide financial statements is on the overall financial position of the District. These statements are constructed around the concept of a primary government, the District and report the District’s net position and changes therein. This change is important because it identifies whether the financial position of the District has improved or diminished as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District’s property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors. These statements reflect only Governmental Activities as the District has no Business-type activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District’s major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The District's funds financial statements are made up of governmental funds as it currently has no proprietary funds.

Governmental Funds – The District’s activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the governmental funds is reconciled in the financial statements. The District’s major governmental funds are the:

General Fund – The General Fund is the District's primary operating fund and accounts for the majority of the District's instruction and support operations.

Food Service Fund – The Food Service Fund is a special revenue fund which accounts for the District’s general food service activities with revenue sources specifically designated for such activities.

Student Activities Fund – The Student Activities Fund is a special revenue fund which accounts for student activities with revenue sources raised specifically from such activities.

Bond Redemption Fund – The Bond Redemption Fund accounts for transactions related to debt service of the District's general obligation bonds and interest.

Capital Reserve Fund – The Capital Reserve Fund accounts for acquisition of capital items such as land, vehicles, equipment and improvements to existing structures.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

NOTES TO THE FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information required by U.S. generally accepted accounting principles, as well as supplementary information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal years ending June 30, 2024 compared to 2023.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	<i>Restated</i>				<i>Restated</i>	
	2024	2023	2024	2023	2024	2023
ASSETS:						
Current and Other Assets	\$ 5,181	\$ 4,509	\$ -	\$ -	\$ 5,181	\$ 4,509
Capital Assets, Net	10,761	10,692	-	-	10,761	10,692
	15,942	15,201	-	-	15,942	15,201
DEFERRED OUTFLOWS:						
Related to Pensions	1,687	1,154	-	-	1,687	1,154
Related to OPEBs	21	28	-	-	21	28
	1,708	1,182	-	-	1,708	1,182
LIABILITIES:						
Current & Other Liabilities	547	530	-	-	547	530
Long-term Liabilities	1,795	1,933	-	-	1,795	1,933
Net Pension Liability	5,643	4,610	-	-	5,643	4,610
Net OPEB Liability	136	157	-	-	136	157
	8,121	7,230	-	-	8,121	7,230
DEFERRED INFLOWS:						
Related to Pensions	315	758	-	-	315	758
Related to OPEBs	53	71	-	-	53	71
	368	829	-	-	368	829
NET POSITION:						
Invested in Capital Assets, Net of Related Debt	8,823	8,621	-	-	8,823	8,621
Restricted	1,635	1,419	-	-	1,635	1,419
Unrestricted	(1,297)	(1,716)	-	-	(1,297)	(1,716)
	\$ 9,159	\$ 8,324	\$ -	\$ -	\$ 9,159	\$ 8,324

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts set aside for food services and to satisfy debt service requirements and statutorily required emergency reserves.

The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The related negative unrestricted assets balance merely represents that there are *long-term* obligations, including pensions, in excess of *currently* available resources.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

THE DISTRICT AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	<i>Restated</i>				<i>Restated</i>	
	2024	2023	2024	2023	2024	2023
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services & Sales	\$ 244	\$ 232	\$ -	\$ -	\$ 244	\$ 232
Operating Grants & Contributions	420	554	-	-	420	554
Capital Grants and Contributions	4	-	-	-	4	-
Total Program Revenues	668	786	-	-	668	786
General Revenues:						
Property and Ownership Taxes	3,162	2,407	-	-	3,162	2,407
State Equalization, Net	1,000	1,257	-	-	1,000	1,257
Interest & Investment Earnings	137	89	-	-	137	89
Other General Revenues	(4)	1	-	-	(4)	1
Total General Revenues	4,295	3,754	-	-	4,295	3,754
Total Revenues	4,963	4,540	-	-	4,963	4,540
<u>PROGRAM EXPENSES:</u>						
Instruction	2,343	2,370	-	-	2,343	2,370
Support Services:						
Student Support	63	38	-	-	63	38
Instructional Staff	188	201	-	-	188	201
General Administration	156	150	-	-	156	150
School Administration	180	231	-	-	180	231
Business Support Services	77	74	-	-	77	74
Operations and Maintenance	327	345	-	-	327	345
Transportation	77	61	-	-	77	61
Central Support	124	102	-	-	124	102
Insurance	18	19	-	-	18	19
Food Services	151	136	-	-	151	136
Student Activities	156	199	-	-	156	199
Other	-	-	-	-	-	-
Unallocated Depreciation/Facilities	181	181	-	-	181	181
Unallocated PERA Actuarial Adj.	56	(234)	-	-	56	(234)
Unallocated OPEB Actuarial Adj.	(31)	(24)	-	-	(31)	(24)
Interest and Fiscal Charges	60	65	-	-	60	65
Total (Expenses)	4,127	3,914	-	-	4,126	3,914
Increase (Decrease) in Net Position	\$ 835	\$ 626	\$ -	\$ -	\$ 835	\$ 626

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2024, the net position of the District's governmental activities increased by approximately \$835 thousand primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. The District currently has no business-type activities.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

THE DISTRICT AS A WHOLE -- CONTINUED

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Fiscal Year 2024		Fiscal Year 2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,343	\$ 2,021	\$ 2,370	\$ 1,884
Support Services:				
Student Support	63	55	38	38
Instructional Staff	188	183	201	191
General Administration	156	156	150	147
School Administration	180	180	231	231
Business Support Services	77	77	74	74
Operations and Maintenance	327	327	345	345
Transportation	77	69	61	54
Central Support	124	124	102	102
Insurance	18	18	19	19
Food Services	151	23	136	4
Student Activities	156	(41)	199	52
Unallocated Depreciation/Facilities	181	181	181	181
Unallocated PERA Actuarial Adj.	56	56	(234)	(234)
Unallocated OPEB Actuarial Adj.	(31)	(31)	(24)	(24)
Interest and Fiscal Charges	60	61	65	65
NET COST OF SERVICES	\$ 4,126	\$ 3,458	\$ 3,914	\$ 3,129

The dependence on general revenues for governmental activities is apparent with approximately 84% and 80% of activities supported in 2024 and 2023, respectively, through taxes and other general revenues. The community as a whole is the primary support for the District's students.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

Governmental Funds –

General Fund

The General Fund had an overall increase in fund balance of \$413,355. The ending fund balance of \$3,014,200 is the amount available for future spending.

Food Service Fund

The Food Service Fund had an overall decrease in fund balance of \$33,807. The ending fund balance of \$60,837 is the amount available for future spending on food service programs.

Student Activities Fund

The Student Activities Fund had an overall increase in fund balance of \$56,147. The ending fund balance of \$236,558 is the amount available for future spending.

Bond Redemption Fund

The Bond Redemption Fund had an overall increase in fund balance of \$18,494. The ending fund balance of \$202,150 is the amount available for future debt service.

Capital Reserve Fund

The Capital Reserve Fund had an overall increase in fund balance of \$173,671. The ending fund balance of \$1,024,258 is the amount available for future spending.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year the District amended its General Fund budget as needed.

For the General Fund, actual revenues and other financing sources of \$4,399,629 were greater than final budgetary expectations of \$4,367,819 by \$31,810.

The District's General fund actual expenditures and other financing uses of \$3,986,274 were less than the final appropriated balance of \$7,161,584 by \$3,175,310 primarily due to unused appropriated contingency reserves.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item and to provide services in the most economical manner. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

CAPITAL ASSETS

At the end of fiscal year 2024, the District had a total of \$10,761,142 invested in capital assets, net of accumulated depreciation. The following reflects the balances of the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities	
	2024	2023
<i>Net of Depreciation:</i>		
Land and Improvements	\$ 234	\$ 234
Buildings & Improvements	10,198	10,380
Transportation Equipment	317	72
Food Service Equipment	12	6
	<u>\$ 10,761</u>	<u>\$ 10,692</u>

DEBT ADMINISTRATION

At June 30, 2024 the District had \$1,932,629 in outstanding bonds, net of premium, of which the current principal portion to be paid in the next fiscal year is \$125,000 and premium amortization of \$12,403. The bonds are being paid from a mill levy in the Bond Redemption fund over a 20 year period with the last payment due in fiscal year 2035.

Other long-term obligations consist of the District's proportionate share of the State PERA Net Pension Liability in the amount of \$5,642,522 and Net OPEB Liability of \$136,244 (see the Notes to the Financial Statements).

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The Public-School Finance Act of 1994 (SFA) is the largest source of revenue for the District's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using a number of factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

$$\textit{Total Program Funding} = \textit{local property taxes} + \textit{general specific ownership taxes} + \textit{state equalization}$$

The District has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$17.7 billion, a decrease of approximately \$500 million from the prior year. This and the effect of other actuarial changes (primarily the net difference between actual and projected pension investment earnings), have increased the District's proportionate share of the collective net pension liability. In addition, the overall statewide collective PERA Health Care Trust Fund Net OPEB liability decreased from \$816 million to \$714 million, with a corresponding decrease in the District's proportionate share thereof. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform with the goal of eliminating the unfunded actuarial accrued liability and reaching a 100 percent funded ratio within the next 30 years.

It is important to note that the requirements for the reporting of the proportionate share of the net pension and net OPEB liabilities do not necessarily reflect the financial condition of a governmental entity because the liabilities cannot be made immediately due and payable. Furthermore, the District has no legal obligation to fund PERA's unfunded accrued actuarial liability nor does the District have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined pension plan. It is also important to note that the reporting requirements have no impact on the District's fund level financial statements which are used for internal and budgetary use; rather, the change only effects the District's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements.

See the accompanying financial statement notes for the full disclosures related to PERA and OPEB.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Ouray County School District R-1
Attn: Business Office
400 7th Avenue; P.O. Box N
Ouray, CO 81427
Tel: (970) 325-4505
Fax: (970) 325-7343

GOVERNMENT-WIDE FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2024

	<u>Total Governmental Activities</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 4,665,585
Cash with County Treasurer	11,432
Receivables:	
Taxes	494,130
Other Receivables	4,672
Inventories	5,037
Total Current Assets	<u>5,180,856</u>
Capital Assets:	
Capital Assets, Non-Depreciable	233,514
Capital Assets, Net of Depreciation	10,527,628
Total Capital Assets, Net	<u>10,761,142</u>
TOTAL ASSETS	<u>15,941,998</u>
DEFERRED OUTFLOWS:	
Deferred Outflows Related to Pensions	1,687,029
Deferred Outflows Related to OPEBs	20,844
TOTAL DEFERRED OUTFLOWS	<u>1,707,873</u>
LIABILITIES:	
Accounts Payable	11,359
Accrued Salaries and Benefits	393,023
Accrued Interest Payable	5,967
Unearned Grant Revenues	653
Long-term Debt:	
Portion Due or Payable within One Year, Net	137,403
Portion Due or Payable After One Year, Net	1,795,226
Net Pension Liability	5,642,522
Net OPEB Liability	136,244
TOTAL LIABILITIES	<u>8,122,397</u>
DEFERRED INFLOWS:	
Deferred Inflows Related to Pensions	314,814
Deferred Inflows Related to OPEBs	53,445
TOTAL DEFERRED INFLOWS	<u>368,259</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	8,822,546
<i>Restricted for:</i>	
Food Service	60,837
Student Activities	236,558
Debt Service	202,150
Capital Projects	1,024,258
Emergencies	111,000
Unrestricted	(1,298,134)
TOTAL NET POSITION	<u>\$ 9,159,215</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 2,342,892	\$ 37,468	\$ 280,221	\$ 4,000
General Support Services:				
- Student Based	62,922	-	8,474	-
- Instructional Staff	187,597	-	4,500	-
- General Administration	156,226	-	-	-
- School Administration	179,551	-	-	-
- Business Support Service	77,496	-	-	-
- Operations and Maintenance	327,093	-	-	-
- Transportation	76,691	-	8,145	-
- Central Support	124,858	-	-	-
- Community Support	18,382	-	-	-
Food Services	150,419	8,841	118,806	-
Student Activities	156,232	197,239	-	-
Unallocated Depreciation	180,850	-	-	-
Unallocated PERA Actuarial Adjustment	55,739	-	-	-
Unallocated OPEB Actuarial Adjustment	(31,253)	-	-	-
Interest and Other Fiscal Charges	61,248	-	-	-
Total Governmental Activities	<u>4,126,943</u>	<u>243,548</u>	<u>420,146</u>	<u>4,000</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,126,943</u>	<u>\$ 243,548</u>	<u>\$ 420,146</u>	<u>\$ 4,000</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes

Grants and Entitlements Not Restricted to Specific Programs

Federal Mineral/Forest Leasing Revenues

Unrestricted Interest and Investment Earnings

Disposition of Assets

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR (*RESTATED*)

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (2,021,203)	<i>(no business activities)</i>	\$ (2,021,203)
(54,448)		(54,448)
(183,097)		(183,097)
(156,226)		(156,226)
(179,551)		(179,551)
(77,496)		(77,496)
(327,093)		(327,093)
(68,546)		(68,546)
(124,858)		(124,858)
(18,382)		(18,382)
(22,772)		(22,772)
41,007		41,007
(180,850)		(180,850)
(55,739)		(55,739)
31,253		31,253
(61,248)		(61,248)
(3,459,249)		(3,459,249)
(3,459,249)		(3,459,249)
2,737,433		2,737,433
198,850		198,850
225,534		225,534
999,916		999,916
1		1
137,276		137,276
(4,305)		(4,305)
4,294,705		4,294,705
835,456		835,456
8,323,759		8,323,759
\$ 9,159,215		\$ 9,159,215

FUND FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	<u>General Fund</u>	<u>Food Service (Special Revenue) Fund</u>	<u>Student Activities Fund</u>	<u>Bond Redemption Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,162,390	\$ 57,127	\$ 236,566	\$ 185,244
Cash with County Treasurer	10,666	-	-	766
Receivables:				
Taxes	240,172	-	-	16,140
Other Receivables	-	4,672	-	-
Inventories	-	5,037	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 3,413,228</u>	<u>\$ 66,836</u>	<u>\$ 236,566</u>	<u>\$ 202,150</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 9,656	\$ 1,703	\$ -	\$ -
Accrued Salaries and Benefits	388,719	4,296	8	-
Unearned Revenues	653	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>399,028</u>	<u>5,999</u>	<u>8</u>	<u>-</u>
 Fund Balances:				
Non-spendable	-	5,037	-	-
Restricted for:				
Debt Service	-	-	-	202,150
Emergencies	111,000	-	-	-
Student Activities	-	-	236,558	-
Capital Projects	-	-	-	-
Food Service	-	55,800	-	-
Unassigned	2,903,200	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,014,200</u>	<u>60,837</u>	<u>236,558</u>	<u>202,150</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,413,228</u>	<u>\$ 66,836</u>	<u>\$ 236,566</u>	<u>\$ 202,150</u>

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

Capital Reserve Fund	TOTAL
\$ 1,024,258	\$ 4,665,585
-	11,432
-	256,312
-	4,672
-	5,037
\$ 1,024,258	\$ 4,943,038

\$ -	\$ 11,359
-	393,023
-	653
-	405,035

-	5,037
-	202,150
-	111,000
-	236,558
1,024,258	1,024,258
-	55,800
-	2,903,200
1,024,258	4,538,003

\$ 1,024,258	\$ 4,943,038
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OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2024

TOTAL GOVERNMENTAL FUND BALANCES \$ 4,538,003

Amounts reported for governmental activities on the Statement of Net Position are different because of the following:

Property taxes receivable that are due later than 60 days after year-end are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the governmental funds. 237,818

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	\$ 13,860,387	
Less Accumulated Depreciation	<u>(3,099,245)</u>	10,761,142

Some liabilities are not due and payable in the current year and therefore, are not reported in the governmental funds.

Accrued Interest Payable	\$ (5,967)	
Current Portion of Bond Premium	(12,403)	
Current Portion of Long-Term Debt	<u>(125,000)</u>	(143,370)

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:

Bond Premium-Noncurrent Portion	\$ (130,226)	
Bonds Payable-Noncurrent Portion	(1,665,000)	
Net Pension Liability	(5,642,522)	
Net OPEB Liability	(136,244)	
Deferred Outflows of Resources Pension	1,687,029	
Deferred Inflows of Resources Pension	(314,814)	
Deferred Outflows of Resources - OPEB	20,844	
Deferred Inflows of Resources - OPEB	<u>(53,445)</u>	<u>(6,234,378)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,159,215

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	General Fund	Food Service (Special Revenue) Fund	Student Activities Fund	Bond Redemption Fund
REVENUES:				
Local Sources	\$ 3,093,948	\$ 8,841	\$ 197,239	\$ 212,494
Intermediate Sources	1	-	-	-
State Sources	1,204,263	63,732	140	-
Federal Sources	101,417	54,510	-	-
Total Revenues	4,399,629	127,083	197,379	212,494
EXPENDITURES:				
Instructional	2,286,197	-	-	-
Supporting Services:				
Student Based	62,922	-	-	-
Instructional Staff	187,597	-	-	-
General Administration	156,226	-	-	-
School Administration	179,551	-	-	-
Business Support	77,496	-	-	-
Operations and Maintenance	327,093	-	-	-
Student Activities	-	-	156,232	-
Transportation	50,952	-	-	-
Central Support	124,858	-	-	-
Community Support	18,382	-	-	-
Food Service	-	160,890	-	-
Facilities Acquisition/Construction	-	-	-	-
Debt Service:				
Principal	-	-	-	120,000
Interest	-	-	-	73,700
Other	-	-	-	300
Total Expenditures	3,471,274	160,890	156,232	194,000
Excess of Revenues Over (Under) Expenditures	928,355	(33,807)	41,147	18,494
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	15,000	-
Transfers (Out)	(515,000)	-	-	-
Total Other Financing Sources (Uses)	(515,000)	-	15,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	413,355	(33,807)	56,147	18,494
FUND BALANCES – Beginning	2,600,845	94,644	180,411	183,656
FUND BALANCES – Ending	\$ 3,014,200	\$ 60,837	\$ 236,558	\$ 202,150

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

<u>Capital Reserve Fund</u>	<u>TOTAL</u>
\$ -	\$ 3,512,522
-	1
-	1,268,135
-	<u>155,927</u>
-	<u>4,936,585</u>
-	2,286,197
-	62,922
-	187,597
-	156,226
-	179,551
-	77,496
-	327,093
-	156,232
270,260	321,212
-	124,858
-	18,382
-	160,890
56,069	56,069
-	120,000
-	73,700
-	<u>300</u>
<u>326,329</u>	<u>4,308,725</u>
(326,329)	627,860
500,000	515,000
-	<u>(515,000)</u>
<u>500,000</u>	<u>-</u>
173,671	627,860
<u>850,587</u>	<u>3,910,143</u>
<u>\$ 1,024,258</u>	<u>\$ 4,538,003</u>

OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 627,860

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures, however, on the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The net book value of asset dispositions is an adjustment to gain (loss) on the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense and loss on asset dispositions in the current period:

Current Period Capital Outlay	\$ 281,234	
Current Period Depreciation	<u>(207,718)</u>	73,516

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year decreased from the previous fiscal year: 30,119

The net book value of asset dispositions are not reported in the governmental funds as they are not a current financial use. This is the amount by which the net book value of assets disposed exceeded proceeds, if applicable, in the current year. (4,305)

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount accrued interest increased from the prior fiscal year. 350

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current Period Debt Repayment	\$ <u>120,000</u>	120,000
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Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of accretion of bond premiums recognized on the current year statement of activities. 12,402

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.

Change in Net Pension Liability	\$ (1,032,358)	
Change in Net OPEB Liability	20,873	
Change in Deferred Outflows Pension	532,753	
Change in Deferred Outflows - OPEB	(6,974)	
Change in Deferred Inflows Pension	443,866	
Change in Deferred Inflows - OPEB	<u>17,354</u>	<u>(24,486)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 835,456

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ouray County School District R-1 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

A. Financial Reporting Entity

The Ouray County School District R-1 is organized under the laws of the State of Colorado and is governed by an elected five member Board of Education. Board of Education members are elected by the citizens of Ouray County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

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

Based on these criteria, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity. The District is not a component unit of any other governmental reporting entity. The District's financial statements include the accounts of all District operations.

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" and is governed by a board consisting of representatives from each participating district. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. Additional information regarding the District's participation is provided in *Note 8*.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

FUND FINANCIAL STATEMENTS

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

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting - continued

The various funds are grouped, in the financial statements, as follows:

GOVERNMENTAL FUNDS – those though which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

General Fund – used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The special revenue fund revenues/resources for the Food Service Fund account for grants and other revenues raised from general food services. The special revenue fund revenues/resources for the Student Activities Fund are amounts from revenues raised from various student activities. The special revenue fund resources for the Capital Reserve Fund are available balances restricted for capital outlay activities.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs. The Bond Redemption Fund is a Debt Service Fund.

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. 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.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current expendable financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide and governmental fund statements.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting - continued

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus).

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

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

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the District's Board may adopt supplemental appropriations during the year. The Board legally amended the budget and adopted a supplemental appropriation of the budgeted ending fund balance during the year as reflected in the budgetary comparison schedules which are included as required and other supplemental information.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the District for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding. All appropriations lapse at year-end whether or not encumbered.

F. Assets, Liabilities and Fund Equity/Net Position

- 1) Cash and Investments – The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. District policy limits investments to Certificates of Deposit in local banks.
- 2) Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- 3) Internal Balances – Internal balances arise from outstanding amounts due to/from the District's various funds. Interfund balances within governmental activities are eliminated on the government-wide Statement of Net Position.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position - continued

- 4) Inventory – Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first in-first out basis. Inventory items are charged to expenditures as consumed.

- 5) Property Taxes and Property Tax Revenue – Property taxes are assessed on a calendar year basis. Property taxes attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Ouray County and are reported as revenue when received by the county treasurer.

Taxes receivable represents the 2023 assessed taxes yet to be collected in 2024. Amounts collectible subsequent to August 2024 have been accrued on the government-wide Statement of Net Position.

<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
		<u>Levied</u>	<u>Recognized</u>	
General Fund:				
\$101,251,360	26.968	\$2,730,547	\$2,508,642	91.8%
Bond Redemption:				
\$101,251,360	1.934	\$ 195,820	\$ 179,906	91.8%

The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary.

- 6) Capital Assets – Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$3,000 set by the School District are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Improvements	20-75 years
Equipment	4-25 years
Vehicles	10 years

- 7) Compensated Absences – Vacation and personal leave do not vest or accumulate. All employees of the district work on a contract basis that provides for an agreed number of working days per year, so there is no paid vacation. District policy provides for 8 days sick leave and 4 days discretionary leave annually for all personnel. Unused leave can accumulate to a maximum of 30 days at which time the excess over 30 days is paid to employees at an established rate of 75% of the daily substitute teacher’s salary. All leave over 30 days is paid before year-end; therefore, there is no accrued liability because no unpaid leave has been vested.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

- 8) Accrued Liabilities and Long-term Obligations – All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers' salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year. Accrued salaries at June 30 were \$310,997 with the incremental change charged to expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. When applicable, bonds premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. When applicable, bond issuance and any refunding costs are reported as deferred charges and amortized over the term of the related debt

In the governmental fund financial statements, bonds are recognized as a liability on the fund financial statements when due. The face amount of debt issued is reported as other financing sources. When applicable, premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. When applicable, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- 9) Net Position (government-wide financial statements) –

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

10) Fund Net Position (fund financial statements) –

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

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, prepaid items, and property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself (the Board of Education), or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

At June 30, 2024, restricted fund balances were for food service programs, student activities, debt service, capital projects and Tabor Emergency reserves.

G. Unearned Revenues

When applicable, unearned revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

H. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Defined Benefit Pension Plan

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

Special Funding Situation:

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2024.

J. Defined Benefit Other Post Employment Benefit (OPEB) Plan

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB 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/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

K. On-Behalf Payments

GAAP requires direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$252 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado have been recorded in the fund financial statements.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues, when applicable. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

M. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing finances. It is District policy to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (continued)

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had total bank balances of \$4,772,873 of which \$435,244 was covered by FDIC insurance and \$4,337,629 by PDPA as described above. A summary of the Districts cash and cash equivalents follows:

Checking/Bank Deposits	\$ 2,438,218
Money Market Sweep	<u>2,334,655</u>
Total Balances	4,772,873
Net Outstanding Items	<u>(107,288)</u>
Total Cash and Cash Equivalents	<u>\$ 4,665,585</u>

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (continued)

Risk Disclosures (continued)

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

	<u>Rating</u>	<u>Fair Value</u>	<u>Maturity</u>
Money Market Sweep	Not Rated	\$2,334,655	Daily

The District was not subject to foreign currency risk as of June 30, 2024.

Additional disclosures for deposits and investments are included in *Note 1*.

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - CAPITAL ASSETS AND RIGHT-TO-USE LEASE ASSETS

Capital asset activity for fiscal year ended June 30, 2024 was as follows:

	Balances June 30, 2023	Additions	Reclassifications Transfers and Dispositions	Balances June 30, 2024
<u>GOVERNMENTAL ACTIVITIES</u>				
Land and Improvements	\$ 233,514	\$ -	\$ -	\$ 233,514
Depreciable Capital Assets:				
Buildings and Improvements	12,906,431	-	-	12,906,431
Equipment	82,238	-	-	82,238
Transportation Equipment	307,526	270,260	-	577,786
Food Service Equipment	59,010	10,974	(9,566)	60,418
Total Capital Assets	13,588,719	281,234	(9,566)	13,860,387
Less Accumulated Depreciation	(2,896,788)	(207,718)	5,261	(3,099,245)
<u>GOVERNMENTAL ACTIVITIES</u>				
CAPITAL ASSETS, NET	<u>\$ 10,691,931</u>	<u>\$ 73,516</u>	<u>\$ (4,305)</u>	<u>\$ 10,761,142</u>

Depreciation expense was charged to functions/ programs as follows:

Instructional	\$ 626
Transportation	25,739
Food Service	503
Facilities/Unallocated	<u>180,850</u>
Total for Governmental Activities	<u>\$ 207,718</u>

There was no right to use lease asset activity for the fiscal year ended June 30, 2024.

NOTE 5 - LONG-TERM OBLIGATIONS

All long-term obligations of the District are reported in Governmental Activities. Changes in the District's long-term debt during the fiscal year are as follows:

	Balance at 06/30/23	Additions	Reductions	Balance at 06/30/24	Amounts Due Within One Year
<u>General Obligation Bonds:</u>					
Series 2014-B	\$ 1,910,000	\$ -	\$ (120,000)	\$ 1,790,000	\$ 125,000
Premium	155,031	-	(12,402)	142,629	12,403
TOTAL	<u>\$ 2,065,031</u>	<u>\$ -</u>	<u>\$ (132,402)</u>	<u>\$ 1,932,629</u>	<u>\$ 137,403</u>

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds Series 2014-B

General Obligation Bonds in the face amount of \$2,695,000, plus premium of \$260,453 amortized over the term of the bonds, were issued in December 2014 to acquire, construct, repair and improve District capital assets and pay costs of issuing the Bonds. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay principal and interest on the Bonds when due. The Bonds require semiannual payments of interest at a net effective interest rate of 3.18%, with principal due on December 1 of each year with the final payment due December 1, 2035. Debt service of the Bonds is recorded in the Bond Redemption Fund. The Bond registrar and paying agent is UMB Bank, N.A. The annual requirements to amortize the Series 2014-B Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 125,000	\$ 69,100	\$ 194,100
2026	130,000	64,000	194,000
2027	135,000	58,700	193,700
2028	140,000	53,200	193,200
2029	145,000	47,500	192,500
2030-2034	815,000	144,100	959,100
2035-2036	300,000	10,800	310,800
TOTAL	<u>\$ 1,790,000</u>	<u>\$ 447,400</u>	<u>\$ 2,237,400</u>

The Bonds maturing: on or before December 1, 2024 are not subject to redemption prior to their respective maturity dates; on or after December 1, 2025 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District shall determine and by lot within any maturity in such manner as the paying agent shall determine, on December 1, 2024 and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date; on December 1, 2028, December 1, 2030, December 1, 2033 and December 1, 2035 are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the bond registrar shall determine, on December 1 of each year, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

<u>Year (Maturing) / Redemption</u>	<u>Principal Amount</u>
(2028) / 2027	\$ 140,000
(2028) / 2028	145,000
(2030) / 2028	150,000
(2030) / 2028	155,000
(2033) / 2028	165,000
(2033) / 2028	170,000
(2033) / 2028	175,000
(2035) / 2028	180,000
(2035) / 2035 (final maturity)	120,000

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 6 - LEASES AND RIGHT-TO-USE ASSETS

The District has implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, for government-wide Statement of Net Assets recognition of leases and note disclosure of certain information about lease arrangements. The District determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified and recognized as lease commitments and leases with contractual terms longer than twelve months as either operating or finance. Right-to-use assets and lease obligations for operating leases are included in “ROU Lease Assets” and “Present Value of Lease Liability”, respectively, in the Statement of Net Assets. Leased assets represent the District’s right to use an underlying asset for the lease term and lease liabilities represent the District’s obligation to make lease payments arising from the lease, which are subject to annual appropriation.

The District leases various office equipment. The leases contain an annual cancellation provision and are subject to annual appropriation, therefore future minimum lease payments are not applicable. The District’s rental expense for the year ended June 30, 2024 was immaterial in relation to the financial statements taken as a whole. Therefore right-to-use assets and lease obligations have not been recorded in the current financials.

The District follows the provisions of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*, which requires recognition of certain cloud-based right-to-use (RTU) software implementation and subscription assets and associated lessee liabilities based upon the foundational principle that software subscriptions are financings of the right to use an underlying asset. SBITAs where the maximum possible lease term is one year or less continue to be reported as operating subscriptions. Perpetual software licenses and SBITAs that transfer ownership and contain no cancellation provisions are reported as debt by the lessee and sale of an asset by the lessor. The District has identified no SBITAs with contractual terms longer than twelve months which would be subject to these provisions.

NOTE 7 - CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of the financial statements, the District was not aware of any amounts to be refunded to the Colorado Department of Education. The District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

The District was not subject to any claims at the date of the financial statements. The District believes that any potential claims against the District, not covered by insurance, would not materially affect the financial statements of the District.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 8 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a jointly governed organization of five regional school districts, including the Ouray County School District, with each member district appointing a member to the UnBOCES board of directors whom are in control of budgeting and finance. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. The UnBOCES financial statements can be obtained directly by contacting them via their website: www.unboces.org.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District covers its employees, due to injury, under Colorado Compensation Insurance Authority (CCIA). The District maintains commercial insurance for other risks of loss. There have been no significant reductions in coverage and settled claims have not exceeded coverage in any of the past three years. In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Denver Public Schools (DPS) PERA Benefit Structure *It is possible for employees participating in the SCHDTF to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the DPS Benefit Structure, the lifetime retirement benefit for all eligible retiring employees is the greater of the:*

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

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

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

Contributions Provisions as of June 30, 2024. Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. §24-51-401, *et seq*, and §24-51-413. Eligible employees are required to contribute 11.0% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40 %
Amount of employer contribution apportioned to the Heath Care Trust Fund as specified in C.R.S. Sec 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38 %
Amortization Equalization Disbursement (AED) as specified in C.R.S. Sec 24-51-411	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Sec 24-51-411	5.50 %
Total Employer Contribution Rate to the SCHDTF	20.38 %

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$429,904 for the year ended June 30, 2024.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

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

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

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

At June 30, 2024, the District reported a liability of \$5,642,522 for its proportionate share of the net pension liability that reflected an increase for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$	5,642,522
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$	9,427
Total	\$	5,651,949

At December 31, 2023, the District's proportion was 0.03190855407% which was a increase of 0.00659114937% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$540,252 and additional revenue of \$9,427 for support from the State as a non-employer 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
Difference between expected & actual experience	\$ 267,562	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	404,481	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	750,293	314,814
Contributions subsequent to the measurement date	264,693	-
Total	\$ 1,687,029	\$ 314,814

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June 30, 2024

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

The amount of \$264,693 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2025	\$ 335,254	\$ 256,104
2026	314,366	58,710
2027	100,673	-
2028	-	-
2029	-	-
Thereafter	-	-

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, including wage inflation	3.40 – 11.00%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06 *	Financed by the AIR
* Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.	

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

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

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

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

Disability 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 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a non-employer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SCHDTF'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

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

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$7,544,990	\$5,642,522	\$4,056,093

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS:

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024 program members contributed \$38,198 to the PERAPlus 401(k) Plan.

Deferred Compensation Plan (PERAPlus 457 Plan)

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

Funding Policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2024 program members contributed \$0 to the PERAPlus 457 Plan and District recognized no pension expense or liability for the PERAPlus 457 Plan.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN – continued

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Denver Public Schools (DPS) PERA Benefit Structure. *It is possible for employees to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the DPS Benefit Structure:*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$21,516 for the year ended June 30, 2024.

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2024, the District reported a liability of \$136,244 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the District's proportion was 0.0190891429%, which was a decrease of 0.0001540441% from its proportion measured as of December 31, 2022.

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June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

For the year ended June 30, 2024, the District recognized OPEB expense of \$7,003. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 27,925
Changes of assumptions or other inputs	1,602	14,446
Net difference between projected and actual earnings on OPEB plan investments	4,214	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,781	11,074
Contributions subsequent to the measurement date	13,247	-
Total	\$ 20,844	\$ 53,445

The amount of \$ 13,247 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2025	\$ 510	\$ 6,014
2026	392	2,525
2027	392	1,650
2028	393	506
2029	94	255
Thereafter	-	124

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

<i>School Division - calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.</i>	
Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, including wage inflation	3.40% - 11.00%
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035
<i>DPS Benefit Structure:</i>	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A Premiums	N/A

OURAY COUNTY SCHOOL DISTRICT R-1

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June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

Age-Related Morbidity Assumptions

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

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

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

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

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

Health care cost trend rates reflect the change in per capital 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

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

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

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

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

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
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	\$ 132,334	\$ 136,244	\$ 140,498

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2024

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

- 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 FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$160,921	\$136,244	\$115,133

OPEB Plan Fiduciary Net Position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s Annual Report which can be obtained at:
www.copera.org/investments/pera-financial-reports.

NOTE 15 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Compliance Requirements

The District appears to be in compliance with material legal, contractual and accounting provisions, as prescribed by Federal and State laws and statutes.

B. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 15 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- continued

B. TABOR Amendment – Tax, Spending and Debt Limitations- continued

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1998 the District’s electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR’S limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$111,000 as of June 30, 2024.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

C. Colorado Revised Statutes require governmental entities to file their audits by March 1st of the following fiscal year, with an extended filing deadline of March 1, 2025. The District’s books and records for June 30, 2024 were not closed by the extended filing deadline and, therefore, the District did not meet the extended filing deadline with its late filing of the audited financial statements.

NOTE 17 - RESTATEMENT OF BEGINNING NET POSITION/ FUND BALANCE

The District has corrected fund balance for improper revenue recognition for certain state grant funding, expenditures not clearing bank and held as outstanding, and other interfund allocations of combined cash transactions duplicated in a prior year. These transactions overstated prior period fund balances. As a result of these errors the beginning fund balance has been restated as follows:

General Fund Balance as of June 30, 2023, as previously stated	\$ 2,769,835
Prior period adjustments, void items not clearing	<u>(168,990)</u>
General Fund Balance as of June 30, 2023, as Restated	<u>\$ 2,600,845</u>
Student Activity Fund Balance as of June 30, 2023, as previously stated	\$ 272,998
Prior period adjustments, void items not clearing	<u>(92,587)</u>
General Fund Balance as of June 30, 2023, as Restated	<u>\$ 180,411</u>
Governmental Activities Net Position as of June 30, 2023, as previously stated	\$ 8,585,337
Prior period adjustments, void items not clearing	<u>(261,578)</u>
Governmental Activities Net Position as of June 30, 2023, as Restated	<u>\$ 8,323,759</u>

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2024 through the issuance date of this report. There have been no material events noted during this period that would impact the result reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

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

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
General Property Taxes	\$ 2,389,859	\$ 2,389,859	\$ 2,704,677	\$ 314,818
Specific Ownership Taxes	199,102	199,102	225,534	26,432
Other Local Revenues	142,356	142,356	163,737	21,381
Intergovernmental:				
Intermediate Sources	100	100	1	(99)
State Sources	1,542,185	1,542,185	1,204,263	(337,922)
Federal Sources	94,217	94,217	101,417	7,200
Total Revenues	4,367,819	4,367,819	4,399,629	31,810
EXPENDITURES:				
Instructional	2,545,110	2,545,110	2,286,197	258,913
Supporting Services:				
Student Based	69,889	69,889	62,922	6,967
Instructional Staff	206,503	206,503	187,597	18,906
General Administration	162,583	162,583	156,226	6,357
School Administration	236,983	236,983	179,551	57,432
Business Support	88,004	88,004	77,496	10,508
Operations and Maintenance	374,533	374,533	327,093	47,440
Transportation	93,271	93,271	50,952	42,319
Central Support	118,589	118,589	124,858	(6,269)
Community Support	20,276	20,276	18,382	1,894
Appropriated Reserves	2,730,843	2,730,843	-	2,730,843
Total Expenditures	6,646,584	6,646,584	3,471,274	3,175,310
Excess of Revenues Over (Under) Expenditures	(2,278,765)	(2,278,765)	928,355	3,207,120
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	(515,000)	(515,000)	(515,000)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,793,765)	(2,793,765)	413,355	3,207,120
FUND BALANCE – BEGINNING (RESTATED)	2,793,765	2,793,765	2,600,845	(192,920)
FUND BALANCE – ENDING	\$ -	\$ -	\$ 3,014,200	\$ 3,014,200

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2024

	FOOD SERVICE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Charges for Services	\$ 5,550	\$ 5,550	\$ 8,841	\$ 3,291
Intergovernmental:				
State Sources	54,628	54,628	63,732	9,104
Federal Sources	24,547	24,547	54,510	29,963
Total Revenues	<u>84,725</u>	<u>84,725</u>	<u>127,083</u>	<u>42,358</u>
EXPENDITURES:				
Food Services:				
Salaries	59,008	59,008	55,565	3,443
Employee Benefits	22,630	22,630	20,945	1,685
Purchased Services	2,300	2,300	3,423	(1,123)
Supplies and Materials:				
Purchased Food/Supplies	55,100	55,100	59,224	(4,124)
Donated Commodities	-	-	7,782	(7,782)
Capital Outlay/Other	1,000	1,000	13,951	(12,951)
Contingency	47,593	47,593	-	47,593
Total Expenditures	<u>187,631</u>	<u>187,631</u>	<u>160,890</u>	<u>26,741</u>
Excess of Revenues Over (Under) Expenditures	(102,906)	(102,906)	(33,807)	69,099
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	60,000	60,000	-	(60,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(42,906)	(42,906)	(33,807)	9,099
FUND BALANCE – BEGINNING	<u>42,906</u>	<u>42,906</u>	<u>94,644</u>	<u>51,738</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,837</u>	<u>\$ 60,837</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – STUDENT ACTIVITIES FUND
For the Fiscal Year Ended June 30, 2024

	STUDENT ACTIVITIES FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Charges for Services	\$ 202,800	\$ 202,800	\$ 197,239	\$ (5,561)
Interest Earnings	-	-	-	-
State Sources	361	361	140	(221)
Total Revenues	<u>203,161</u>	<u>203,161</u>	<u>197,379</u>	<u>(5,782)</u>
EXPENDITURES:				
Salaries	41,550	41,550	32,574	8,976
Employee Benefits	11,296	11,296	7,072	4,224
Purchased Services	18,000	18,000	10,815	7,185
Supplies and Materials	415,620	415,620	99,663	315,957
Other Expenditures	8,625	8,625	6,108	2,517
Other Uses	37,990	37,990	-	37,990
Total Expenditures	<u>533,081</u>	<u>533,081</u>	<u>156,232</u>	<u>376,849</u>
Excess of Revenues Over (Under) Expenditures	(329,920)	(329,920)	41,147	371,067
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	75,000	75,000	15,000	(60,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(254,920)	(254,920)	56,147	311,067
FUND BALANCE – BEGINNING (RESTATED)	<u>254,920</u>	<u>254,920</u>	<u>180,411</u>	<u>(74,509)</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,558</u>	<u>\$ 236,558</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2024

	CAPITAL RESERVE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Grant Revenues	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES:				
Administration – Capital Outlay	25,000	25,000	-	25,000
Transportation – Capital Outlay	250,000	250,000	270,260	(20,260)
Facilities – Capital Outlay	826,587	826,587	56,069	770,518
Total Expenditures	1,101,587	1,101,587	326,329	775,258
Excess of Revenues Over (Under) Expenditures	(1,101,587)	(1,101,587)	(326,329)	775,258
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	250,000	250,000	500,000	(250,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(851,587)	(851,587)	173,671	525,258
FUND BALANCE – BEGINNING	851,587	851,587	850,587	1,000
FUND BALANCE – ENDING	\$ -	\$ -	\$ 1,024,258	\$ 526,258

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024

<u>Colorado PERA:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>				
	<u>2024 / (2023)</u>	<u>2023 / (2022)</u>	<u>2022 / (2021)</u>	<u>2021 / (2020)</u>	<u>2020 / (2019)</u>
District's proportion (percentage) of the collective net pension liability	0.0319085407%	0.0253174047%	0.0291456742%	0.0340474335%	0.0306074076%
District's proportionate share of the collective pension liability	\$ 5,642,522	\$ 4,610,164	\$ 3,391,788	\$ 5,147,285	\$ 4,572,680
District's covered payroll	\$ 2,109,441	\$ 1,952,731	\$ 1,821,511	\$ 1,820,602	\$ 1,798,797
District's proportionate share of the net pension liability as a percentage of its covered payroll	267%	236%	186%	283%	254.2%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52 %
	<u>Reporting Fiscal Year / (Measurement Date)</u>				
<u>Colorado PERA (continued):</u>	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>	<u>2016 / (2015)</u>	<u>2015 / (2014)</u>
District's proportion (percentage) of the collective net pension liability	0.0333518216%	0.0357373168%	0.0358380852%	0.0428215549%	0.0391249321%
District's proportionate share of the collective pension liability	\$ 5,905,625	\$ 11,556,178	\$ 10,670,384	\$ 6,549,255	\$ 5,302,743
District's covered payroll	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528	\$ 1,753,123	\$ 1,699,753
District's proportionate share of the net pension liability as a percentage of its covered payroll	322.1%	691.1%	610.2%	373.5%	312.0%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.16%	62.84%

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2024

	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
<u>Colorado PERA:</u>					
Statutorily required contribution	\$ 429,904	\$ 393,128	\$ 362,117	\$ 362,254	\$ 346,725
District contributions in relation to the statutorily required contribution	<u>(429,904)</u>	<u>(393,128)</u>	<u>(362,117)</u>	<u>(362,254)</u>	<u>(346,725)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,109,441	\$ 1,952,731	\$ 1,821,511	\$ 1,822,201	\$ 1,789,084
District's contributions as a percentage of covered payroll	20.37%	20.12%	19.88%	19.88%	19.38%

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
<u>Colorado PERA (continued):</u>					
Statutorily required contribution	\$ 365,666	\$ 300,565	\$ 317,978	\$ 309,924	\$ 304,465
District contributions in relation to the statutorily required contribution	<u>(365,666)</u>	<u>(300,565)</u>	<u>(317,978)</u>	<u>(309,924)</u>	<u>(304,465)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,911,481	\$ 1,591,111	\$ 1,729,489	\$ 1,753,123	\$ 1,699,573
District's contributions as a percentage of covered payroll	19.13%	18.89%	18.39%	17.68%	17.90%

2024, 2023, 2022, 2021 and 2019 contributions include \$9,051, \$87,076, \$ 41,512, \$43,928 and \$47,961 respectively from the special funding situation with the State of Colorado as a non-employer contributing entity per SB 18-200.

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2024

NOTE 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- 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 ration of service credit for each month worked, up to a maximum of 12 months of service credit per year.

NOTE 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2024

<u>Colorado PERA HCTF:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>				
	<u>2024 / (2023)</u>	<u>2023 / (2022)</u>	<u>2022 / (2021)</u>	<u>2021 / (2020)</u>	<u>2020 / (2019)</u>
District's proportion of the Net OPEB Liability	0.0190891429%	0.0192431870%	0.0190298975%	0.0196875882%	0.0200053445%
District's proportionate share of the Net OPEB Liability	\$ 136,244	\$ 157,117	\$ 164,096	\$ 187,076	\$ 224,860
District's covered payroll	\$ 2,109,441	\$ 1,952,731	\$ 1,821,511	\$ 1,820,602	\$ 1,798,797
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	6.40%	8.00%	9.00%	10.28%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	64.52%
	<u>Reporting Fiscal Year / (Measurement Date)</u>				
<u>Colorado PERA HCTF:</u>	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>		
District's proportion of the Net OPEB Liability	0.0216788739%	0.0203058000%	0.0203707967%		
District's proportionate share of the Net OPEB Liability	\$ 294,950	\$ 263,894	\$ 264,114		
District's covered payroll	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528		
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.09 %	15.78%	15.10%		
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%		

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2024

	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
Colorado PERA:					
Contractually Required Contribution	\$ 21,516	\$ 19,918	\$ 18,579	\$ 18,586	\$ 18,249
District Contributions in relation to the contractually required contribution	<u>\$ (21,516)</u>	<u>\$ (19,918)</u>	<u>\$ (18,579)</u>	<u>\$ (18,586)</u>	<u>\$ (18,249)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,109,441	\$ 1,952,731	\$ 1,821,511	\$ 1,822,201	\$ 1,789,084
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

	Reporting Fiscal Year		
	2019	2018	2017
Colorado PERA:			
Contractually Required Contribution	\$ 19,497	\$ 16,230	\$ 17,641
District Contributions in relation to the contractually required contribution	<u>\$ (19,497)</u>	<u>\$ (16,230)</u>	<u>\$ (17,461)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,911,481	\$ 1,591,155	\$ 1,729,489
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2024

NOTE 1 - Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- 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 2 - Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

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

SUPPLEMENTARY INFORMATION

GENERAL FUND

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenue from Local Sources:			
Property Taxes	\$ 2,389,859	\$ 2,704,677	\$ 314,818
Specific Ownership Taxes	199,102	225,534	26,432
Tuitions and Fees	58,356	37,468	(20,888)
Interest Earnings	84,000	126,269	42,269
Total Revenue from Local Sources	<u>2,731,317</u>	<u>3,093,948</u>	<u>362,631</u>
Revenue from Intermediate Sources:			
Mineral and Forest Leasing	100	1	(99)
Total Revenue from Intermediate Sources	<u>100</u>	<u>1</u>	<u>(99)</u>
Revenue from State Sources:			
State Equalization	1,318,636	999,916	(318,720)
ELPA	5,369	-	(5,369)
ELPA Grants	5,016	3,248	(1,768)
State Share – Supplemental	-	8,461	8,461
Transportation Grant	7,771	8,145	374
Library Grant	4,500	4,500	-
National Board Certification Grant	1,600	-	(1,600)
Small Rural School Grant	80,402	66,904	(13,498)
At Risk Supplemental Grant	-	680	680
Read Act	5,760	5,911	151
Stabilization New Provider	-	7,023	7,023
Capacity Building Grant	-	4,000	4,000
Vocational Education	11,452	13,729	2,277
UPK Funding	55,294	72,695	17,401
PERA on Behalf Funding	46,385	9,051	(37,334)
Total Revenue from State Sources	<u>1,542,185</u>	<u>1,204,263</u>	<u>(337,922)</u>
Revenue from Federal Sources:			
Title I	44,865	24,526	(20,339)
Title IIA – Teacher Quality	8,633	10,888	2,255
Title IV	19,258	18,458	(800)
Summer EBT	-	800	800
Federal Supply Chain	-	8,474	8,474
Title IIIA	-	5,619	5,619
Carl Perkins Grant	4,000	4,591	591
REAP Grant	17,461	28,061	10,600
Total Revenue from Federal Sources	<u>94,217</u>	<u>101,417</u>	<u>7,200</u>
Transfers In	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 4,367,819</u></u>	<u><u>\$ 4,399,629</u></u>	<u><u>\$ 31,810</u></u>

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
<i>INSTRUCTION:</i>			
Salaries	\$ 1,588,970	\$ 1,553,313	\$ 35,657
Employee Benefits	670,386	547,287	123,099
Purchased Services	155,730	95,767	59,963
Supplies and Materials	43,087	31,205	11,882
Capital Outlay	49,910	54,330	(4,420)
Other Expenditures	37,027	4,295	32,732
<i>TOTAL INSTRUCTION</i>	<u>2,545,110</u>	<u>2,286,197</u>	<u>258,913</u>
<i>GENERAL SUPPORT SERVICES:</i>			
Student Based:			
Salaries	18,107	17,541	566
Employee Benefits	46,582	43,484	3,098
Purchased Services	300	194	106
Supplies and Materials	4,600	1,514	3,086
Other Expenditures	300	189	111
Subtotal	<u>69,889</u>	<u>62,922</u>	<u>6,967</u>
Instructional Staff:			
Salaries	157,925	151,440	6,485
Employee Benefits	12,428	10,988	1,440
Purchased Services	6,750	4,508	2,242
Supplies and Materials	27,900	19,775	8,125
Capital Outlay	1,000	391	609
Other Expenditures	500	495	5
Subtotal	<u>206,503</u>	<u>187,597</u>	<u>18,906</u>
General Administration:			
Salaries	88,735	90,194	(1,459)
Employee Benefits	14,348	10,320	4,028
Purchased Services	44,000	39,939	4,061
Supplies and Materials	3,000	3,085	(85)
Capital Outlay	1,000	736	264
Other Expenditures	11,500	11,952	(452)
Subtotal	<u>162,583</u>	<u>156,226</u>	<u>6,357</u>
School Administration:			
Salaries	138,223	132,125	6,098
Employee Benefits	53,210	45,087	8,123
Purchased Services	1,800	-	1,800
Supplies	43,100	1,659	41,441
Other Expenditures	650	680	(30)
Subtotal	<u>236,983</u>	<u>179,551</u>	<u>57,432</u>
<i>TOTAL GENERAL SUPPORT</i>	<u>675,958</u>	<u>586,296</u>	<u>89,662</u>

(continued on next page)

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

<i>(continued)</i>	Budget	Actual	Variance Favorable (Unfavorable)
<i>BUSINESS SUPPORT SERVICES:</i>			
Business Services:			
Salaries	\$ 46,580	\$ 47,779	\$ (1,199)
Employee Benefits	19,224	13,067	6,157
Purchased Services	22,200	16,650	5,550
Subtotal	88,004	77,496	10,508
Operation and Maintenance:			
Salaries	147,251	143,323	3,928
Employee Benefits	62,062	51,390	10,672
Purchased Services	71,720	63,542	8,178
Supplies and Materials	90,000	68,184	21,816
Capital Outlay	3,000	654	2,346
Other Expenditures	500	-	500
Subtotal	374,533	327,093	47,440
<i>TOTAL BUSINESS SUPPORT</i>	462,537	404,589	57,948
<i>TRANSPORTATION:</i>			
Salaries	38,485	13,608	24,877
Employee Benefits	15,286	3,174	12,112
Purchased Services	23,000	21,607	1,393
Supplies and Materials	16,500	12,537	3,963
Other Objects – Student Activity Reimbursements	-	26	(26)
<i>TOTAL TRANSPORTATION</i>	93,271	50,952	42,319
<i>CENTRAL SUPPORT SERVICES:</i>			
Purchased Services	105,516	95,991	9,525
Other Expenditures	13,073	28,867	(15,794)
<i>TOTAL CENTRAL SUPPORT</i>	118,589	124,858	(6,269)
<i>COMMUNITY SUPPORT SERVICES:</i>			
Benefits	20,276	18,382	1,894
<i>TOTAL COMMUNITY SUPPORT SERVICES</i>	20,276	18,382	1,894
<i>APPROPRIATED RESERVES</i>	2,730,843	-	2,730,843
<i>OTHER FINANCING USES – Transfers Out</i>	515,000	515,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 7,161,584	\$ 3,986,274	\$ 3,175,310

SUPPLEMENTARY INFORMATION

BOND REDEMPTION (DEBT SERVICE) FUND

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

	BOND REDEMPTION FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Property Taxes	\$ 194,050	\$ 194,050	\$ 201,487	\$ 7,437
Interest Earnings	-	-	11,007	11,007
Total Revenues	<u>194,050</u>	<u>194,050</u>	<u>212,494</u>	<u>18,444</u>
EXPENDITURES:				
Debt Service:				
Principal	120,000	120,000	120,000	-
Interest	73,700	73,700	73,700	-
Fees	350	350	300	50
Contingency	-	-	-	-
Total Expenditures	<u>194,050</u>	<u>194,050</u>	<u>194,000</u>	<u>50</u>
Excess of Revenues Over (Under) Expenditures	-	-	18,494	18,494
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	18,494	18,494
FUND BALANCE – BEGINNING	<u>197,868</u>	<u>197,868</u>	<u>183,656</u>	<u>(14,212)</u>
FUND BALANCE – ENDING	<u>\$ 197,868</u>	<u>\$ 197,868</u>	<u>\$ 202,150</u>	<u>\$ 4,282</u>

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



**Colorado Department of
Education**

Auditors Integrity Report

District: 2580 - Ouray R-1
Fiscal Year 2023-24
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,600,845	3,882,616	3,470,131	3,013,330
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	2,600,845	3,882,616	3,470,131	3,013,330
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	94,645	127,083	160,890	60,837
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	180,411	212,379	156,232	236,558
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	183,656	212,494	194,000	202,150
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	850,587	500,000	326,329	1,024,258
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	3,910,144	4,934,571	4,307,582	4,537,133
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

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

3/27/25

2:30 PM



Colorado Department of Education

Bolded Balance Sheet Report

District: 2580 - Ouray R-1

Fiscal Year 2023-24

Colorado School District/BOCES

Governmental

Proprietary

Fiduciary

ASSETS	Governmental			Proprietary							Fiduciary			Totals			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60		Trust & Agency Funds 70-79	Foundations Fund 85	
Cash and Investments (8100-8104,8111)	3,162,390	0	0	236,566	0	0	57,127	185,244	1,024,258	0	0	0	0	0	0	0	4,665,585
Cash with Fiscal Agent (8105)	10,666	0	0	0	0	0	0	766	0	0	0	0	0	0	0	0	11,432
Taxes Receivable (8121,8122)	240,172	0	0	0	0	0	0	16,140	0	0	0	0	0	0	0	0	256,312
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	4,672	0	0	0	0	0	0	0	0	0	4,672
Inventories (8171,8172,8173)	0	0	0	0	0	0	5,037	0	0	0	0	0	0	0	0	0	5,037
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	3,413,228	0	0	236,566	0	0	66,836	202,150	1,024,258	0	0	0	0	0	0	0	4,943,038

LIABILITIES & FUND EQUITY	Governmental							Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	9,656	0	0	0	0	0	1,703	0	0	0	0	0	0	0	0	11,359
Accrued Expenses (7461)	307,280	0	0	250	0	0	3,467	0	0	0	0	0	0	0	0	310,997
Payroll Ded. and Withholdings (7471-7473)	82,140	0	0	-241	0	0	828	0	0	0	0	0	0	0	0	82,727
Grants Deferred Revenue (7482)	653	0	0	0	0	0	0	0	0	0	0	0	0	0	0	653
Other Current Liabilities (7491,7492,7499)	170	0	0	0	0	0	0	0	0	0	0	0	0	0	0	170
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	399,898	0	0	8	0	0	5,999	0	0	0	0	0	0	0	0	405,905

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	5,037	0	0	0	0	0	0	0	0	5,037
Restricted Fund Balance 6720	0	0	0	272,998	0	0	55,801	183,656	850,587	0	0	0	0	0	0	1,363,043
TABOR 3% Emergency Reserve 6721	111,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	111,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Universal Preschool Program (UPK) Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,071,320	0	0	56,147	0	0	0	18,494	173,671	0	0	0	0	0	0	3,319,631
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	-168,990	0	0	-92,588	0	0	0	0	0	0	0	0	0	0	0	-261,578
Total Fund Equity	3,013,330	0	0	236,558	0	0	60,837	202,150	1,024,258	0	0	0	0	0	0	4,537,133

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,413,228	0	0	236,566	0	0	66,836	202,150	1,024,258	0	0	0	0	0	0	4,943,038

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes