

**PLATTE CANYON SCHOOL DISTRICT 1
BAILEY, COLORADO**

BASIC FINANCIAL STATEMENTS

June 30, 2024

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Education
Platte Canyon School District 1
Bailey, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 46-55 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund statements and schedules and the Auditor's Integrity Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual fund statements and schedules and the Auditor's Integrity Report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

Littleton, Colorado
November 11, 2024

Platte Canyon School District RE 1

Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows as of June 30, 2024, by \$5,081,268 (net position). Any negative net position (not applicable for FY24) is due to GASB Statement No. 68 and 75 on pension disclosures which reflects the District's proportionate share of the pension plan's unfunded pension liability. It is important to note that the District does not have to pay the amount shown as the District's net pension liability.
- The District's net position improved by \$1,416,144 from FY2023.
- The District's General Fund had an ending fund balance of \$5,752,688 or 46% of total General Fund Expenditures.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets and deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the District. Evaluation of the overall economic health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's capital assets in addition to the financial information provided in this report.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event affecting the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and changes in long-term compensated absences). An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities on revenues provided by the District's taxpayers.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

Governmental activities: Most of the District's basic services are included here, such as instructional services, support services, food services, and student activities. Such services include activities relating to building maintenance, technology, and administration.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes. Our District uses fund accounting to ensure and demonstrate compliance with state and federal financial policies and procedures with regard to its governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District maintains seven funds. The District's most significant, or "major" governmental funds include the General Fund, Food Services Fund, Designated Grants Fund, Bond Redemption Fund, and Capital Building Fund. The additional two funds (Student Activities Fund and Swimming Pool Fund) are combined into a single, aggregated presentation. Information for these non-major funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The District's governmental fund financial statements can be found on page 3 and 5 of this report.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data essential to a full understanding of the government-wide and fund financial statements. The notes on the statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's adopted budget and audited actual numbers for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As previously noted, net position may serve, over time, as a useful indicator of the District's financial position.

The assets of the District are classified as current assets and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax receivables, cash, and investments.

Capital assets are made up of land, buildings, equipment, and construction in progress. Current and long-term liabilities are classified based upon when resources will be required to fulfill the obligation.

Platte Canyon School District No.1

Net Position

	Governmental Activities	
	6/30/2024	6/30/2023
Cash and Investments	\$ 6,405,331	\$ 6,237,030
Restricted Cash and Investments	16,475,019	792,105
Other Assets	720,769	611,744
Capital Assets, Net	14,732,579	12,251,087
Total Assets	<u>38,333,698</u>	<u>19,891,966</u>
Deferred Outflow of Resources	<u>5,514,194</u>	<u>3,289,717</u>
Current Liabilities	2,184,025	799,952
Accrued Interest	61,203	2,228
Noncurrent Liabilities	35,387,982	16,078,482
Total Liabilities	<u>37,633,210</u>	<u>16,880,662</u>
Deferred Inflow of Resources	<u>1,133,414</u>	<u>2,635,897</u>
Net Position		
Net Investment in Capital Assets	(2,294,513)	10,609,451
Restricted	443,542	439,440
Unrestricted	6,932,239	(7,383,767)
Total Net Position	<u>\$ 5,081,268</u>	<u>\$ 3,665,124</u>

Of the District's total assets, 38% are capital assets (e.g. land, buildings, and equipment). This large year-over-year change in percentage is due to the restricted cash and investments held by the District associated with the November 2023 Bond question and subsequent Bond issuance in January of 2024. The District uses assets to provide instruction and related services to its students. Although the District's investment in capital assets is reported as net of related debt, it

should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position for governmental activities improved by \$1,416,144.

Platte Canyon School District No.1
Change in Net Position

	Governmental Activities	
	6/30/2024	6/30/2023
Program Revenue:		
Charges for Services	\$ 274,109	\$ 356,324
Operating Grants and Contributions	2,788,132	3,373,633
Total Program Revenue	3,062,241	3,729,957
General Revenue:		
Local Property Taxes	6,603,163	4,918,741
Specific Ownership Taxes	566,686	574,653
State Equalization	3,445,545	4,286,974
Other	1,165,411	426,675
Total General Revenue	11,780,805	10,207,043
Total Revenue	14,843,046	13,937,000
Expenses:		
Instruction	7,009,622	6,522,806
Supporting Services	6,181,110	6,383,696
Interest and Fiscal Charges	236,170	44,103
Total Expenses	13,426,902	12,950,605
Increase (Decrease) in Net Position	1,416,144	986,395
Beginning Net Position	3,665,124	2,678,729
Ending Net Position	\$ 5,081,268	\$ 3,665,124

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remaining revenue comes from grants and contributions, fees charged for services, and miscellaneous sources. The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Highlights:

The District financials kicked off 2024 with the sale of excess District land which brought in revenue of \$1,072,000. The District also began work on the renovation of the Platte Canyon East building lower level to accommodate the relocation of the District preschool, which was also renamed in FY24 becoming the Platte Canyon Early Learning Center. The District General Fund supported the costs for the ELC remodel fully with the majority of costs hitting FY24 and final costs hitting in FY25. Additionally, the passing of the November 2023 Bond Question and January 2024 Bond issuance had the District moving into construction phases II and III as outlined in the District Master Plan (the full plan is available on the District website). Phase II and III costs for design, permitting, and initial construction began in March of 2024 and continued throughout the summer as “construction in progress” as the District closed out the fiscal year. The District was also awarded several large grants including the Colorado BEST Grant Award, the Office of Safety and Security SSD Grant, and the Federal COPS Safety and Security Grant. Planning and construction on these projects began in FY24 and will continue throughout the next fiscal year. Improvements were made to the District technology infrastructure in the spring of FY24 to support better functionality and online access for the District's main campus as the Middle School and High School consolidation moved forward in the summer of 2024.

Financial Analysis of the District's Funds:

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Analysis:

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The District saw an increase in unassigned fund balance as a result of construction timing. As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$21,328,355 which is an increase of \$14,566,043 from the prior year's ending fund balances. It is important to note that this increase is due mainly to the addition of the Capital Building Fund and the associated ending fund balance of \$14,419,204

The General Fund is the most significant fund of the District. The General Fund is supported by property taxes, specific ownership taxes, and state equalization funding. The Food Service Fund was supported by the Federal National School Lunch Program and state Healthy School Meals for All, which reimburses districts for costs associated with meals provided to eligible students at the Federal level and all students at the State level. The Designated Purpose Grant Fund is funded by federal grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements while the Capital Building fund is currently supported by bond issuance passed in the November 2023 election. The Student Activities Fund is maintained by student activities fees and fundraising support, while the Swimming Pool Fund is sustained by user fees in business-like activity in addition to property taxes.

The General Fund reported revenue of \$11.75 million for the 2023-24 fiscal year. This is an increase of \$0.15 million from the prior year.

The General Fund reported expenditures of \$12.57 million for the 2023-24 fiscal year. This is an increase of \$.27 million as compared to prior year expenditures.

Maintaining adequate fund balance to support district operations is key to overall financial health. FY24 ending fund balance amounts fall at the high end of the District's targeted 3-6 months of expenses; however, anticipated expenditures related to Capital improvements and remodeling are expected to slightly reduce the GF fund balance in the next few fiscal years as the District finishes phases II and III of the District Master Plan. Additionally, these funds can provide short-term solutions for addressing salary and benefit expenses, with the intent to cover these costs with recurring revenues in the future, thus allowing for more flexibility in planning and workforce solutions.

General Fund Budgetary Highlights:

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on the basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The budget is prepared based on an estimate of forecasted student count. The General Fund's actual expenses were under-budgeted appropriations by \$591,340, the majority of which is attributed to the ongoing costs associated with Phase I and Phase II construction and the timing of project completion and billing.

Capital Assets and Debt Administration:

The District's investment in capital assets for governmental activities as of June 30, 2024, amounts to \$14,732,579 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, net of accumulated depreciation, and construction in progress. The total net increase (decrease) in capital assets for the current fiscal year was \$2,481,492.

Long-Term Debt: As of June 30, 2024, the District had an outstanding debt of \$16,256,954.

Economic Factors:

The primary factors impacting funding for the District continue to be student enrollment and the State's economy. Nationwide demographic reports are showing a strong reduction in K12 enrollment across many states including Colorado. This reduction is due in large part to a reduction in birth rates and a transition to alternative educational models including online programming and homeschooling. The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school district based upon a formula that takes into consideration the cost of living, number of students, district size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. The removal of the Budget Stabilization factor

was beneficial for the District in FY24 as was the continued support of Small Rural funding as passed by the Colorado Legislature. While this formula has received a great deal of scrutiny from districts and legislators over the past decade, very few notable changes have been made to the overall formula. Major changes may be forthcoming for FY25 but overall funding per the formula remained consistent in FY24. Funding sources for the School Finance Act are derived by the following formula:

Total Program Funding = local property taxes + general specific ownership taxes + state equalization.

At the time these financial statements were prepared and audited, the District contemplated the following factors that could significantly affect its financial health in the future.

Major grant awards received in FY24 include the BEST grant for capital improvement, the Office of Safety and Security SSD grant, and the Federal COPS grant, also for safety and security. While many projects related to these grants began in FY24 they will continue throughout FY25 with most projects likely to wrap up in FY25 and early FY26. Budget monitoring for related projects will be paramount as the District works to maintain grant compliance and complete all approved projects on time and on budget, thus avoiding the use of General Fund monies unless specifically appropriated on a project-by-project basis.

Health insurance premiums and coverage costs continue to climb as does the need to remain competitive on salaries with the current shortages in teachers, support service specialists, and other positions including bus drivers still impacting districts across Colorado. Impacts on employees due to the consolidation of District sites will also continue to be on the forefront for District leadership.

Colorado PERA continues to increase employer and employee contributions putting additional pressure on the General fund and District Employees. The “ratchet mechanism” shows no indications of slowing that pressure unless the PERA board and Colorado Legislature revise and better align the triggers for increasing and decreasing contributions. Additionally, new guidance from PERA has highlighted additional employee subgroups, such as contracted employees and substitutes for whom participation in the fund may be mandatory in the future. PERA has indicated that the ratchet will not be in effect for the next two fiscal years, FY25 and FY26, but PERA continues to be an area of concern for school districts across the state as we fight to attract and retain quality employees.

Request for Information:

This financial report is designed to provide a general overview of Platte Canyon School District RE 1’s finances for all those with an interest in the District’s finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Director of Business Services, Platte Canyon School District, 57393 US Hwy 285, or P.O. Box 1069, Bailey, Colorado 80421. Additional information is available on the district website at www.plattecanyonschools.org.

BASIC FINANCIAL STATEMENTS

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF NET POSITION

June 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 6,405,331
Restricted Cash and Investments	16,475,019
Cash Held with Fiscal Agent	3,786
Taxes Receivable	310,821
Accounts Receivable	379,057
Inventories	27,105
Capital Assets, Not Depreciated	4,457,483
Capital Assets, Depreciated, Net of Accumulated Depreciation	9,637,563
Right to Use Assets, Amortized, Net of Accumulated Amortization	<u>637,533</u>
TOTAL ASSETS	<u>38,333,698</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	5,432,544
Related to OPEB	<u>81,650</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,514,194</u>
LIABILITIES	
Accounts Payable	1,438,092
Accrued Salaries and Benefits	614,841
Accrued Interest Payable	61,203
Unearned Revenue	131,092
Noncurrent Liabilities	
Due Within One Year	393,378
Due in More Than One Year	16,849,886
Net Pension Liability	17,716,925
Net OPEB Liability	<u>427,793</u>
TOTAL LIABILITIES	<u>37,633,210</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	965,784
Related to OPEB	<u>167,630</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,133,414</u>
NET POSITION	
Net Investment in Capital Assets	(2,294,513)
Restricted for Emergencies	443,542
Unrestricted	<u>6,932,239</u>
TOTAL NET POSITION	<u><u>\$ 5,081,268</u></u>

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

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 7,009,622	\$ -	\$ 1,164,423	\$ -	\$ (5,845,199)
Supporting Services	6,181,110	274,109	1,623,709	-	(4,283,292)
Interest and Fiscal Charges	236,170	-	-	-	(236,170)
Total Governmental Activities	<u>13,426,902</u>	<u>274,109</u>	<u>2,788,132</u>	<u>-</u>	<u>(10,364,661)</u>
GENERAL REVENUES					
					6,603,163
					566,686
					3,445,545
					107,386
					411,220
SPECIAL ITEM					
					646,805
					<u>11,780,805</u>
					CHANGE IN NET POSITION 1,416,144
					NET POSITION, Beginning <u>3,665,124</u>
					NET POSITION, Ending <u>\$ 5,081,268</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND	CAPITAL BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and Investments	\$ 6,059,641	\$ 30,784	\$ -	\$ -	\$ -	\$ 314,906	\$ 6,405,331
Restricted Cash and Investments	-	-	-	732,654	15,742,365	-	16,475,019
Cash Held at Fiscal Agent	-	-	-	3,786	-	-	3,786
Due From Other Funds	39,264	-	-	-	-	-	39,264
Taxes Receivable	224,509	-	-	86,312	-	-	310,821
Other Receivables	288,021	39,228	51,808	-	-	-	379,057
Inventory	-	27,105	-	-	-	-	27,105
TOTAL ASSETS	\$ 6,611,435	\$ 97,117	\$ 51,808	\$ 822,752	\$ 15,742,365	\$ 314,906	\$ 23,640,383
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 111,702	\$ -	\$ -	\$ -	\$ 1,322,676	\$ 3,714	\$ 1,438,092
Due To Other Funds	-	-	24,994	13,785	485	-	39,264
Unearned Revenue	131,092	-	-	-	-	-	131,092
Accrued Salaries and Benefits	578,226	9,636	26,814	-	-	165	614,841
TOTAL LIABILITIES	821,020	9,636	51,808	13,785	1,323,161	3,879	2,223,289
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Tax Revenues	37,727	-	-	51,012	-	-	88,739
FUND BALANCES							
Nonspendable	-	27,105	-	-	-	-	27,105
Restricted for Emergencies	443,542	-	-	-	-	-	443,542
Restricted for Debt Service	-	-	-	757,955	-	-	757,955
Restricted for Capital Improvements	-	-	-	-	14,419,204	-	14,419,204
Committed	-	60,376	-	-	-	-	60,376
Assigned	-	-	-	-	-	311,027	311,027
Unassigned	5,309,146	-	-	-	-	-	5,309,146
TOTAL FUND BALANCES	5,752,688	87,481	-	757,955	14,419,204	311,027	21,328,355
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,611,435	\$ 97,117	\$ 51,808	\$ 822,752	\$ 15,742,365	\$ 314,906	\$ 23,640,383

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

PLATTE CANYON SCHOOL DISTRICT 1

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds		\$ 21,328,355
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
	Capital Assets, Not Depreciated	4,457,483
	Capital Assets, Depreciated	28,092,714
	Accumulated Depreciation	(18,455,151)
	Right to Use Assets	1,185,781
	Accumulated Amortization	<u>(548,248)</u>
		14,732,579
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.		
		88,739
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.		
	Compensated Absences	(277,375)
	Accrued Interest Payable	(61,203)
	Bonds Payable	(14,500,000)
	Bond Premium	(1,756,954)
	Lease Payable	(708,935)
	Net Pension Liability	(17,716,925)
	Net OPEB Liability	<u>(427,793)</u>
		(35,449,185)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
	Deferred outflows of resources - Related to Pensions	5,432,544
	Deferred outflows of resources - Related to OPEB	81,650
	Deferred inflows of resources - Related to Pensions	(965,784)
	Deferred inflows of resources - Related to OPEB	<u>(167,630)</u>
		<u>4,380,780</u>
Net position of governmental activities		<u><u>\$ 5,081,268</u></u>

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

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND	CAPITAL BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Local Sources	\$ 6,545,283	\$ 13,524	\$ -	\$ 1,035,493	\$ 173,980	\$ 379,006	\$ 8,147,286
State Sources	4,967,261	168,420	-	-	-	-	5,135,681
Federal Sources	234,280	210,512	421,994	-	-	-	866,786
TOTAL REVENUES	11,746,824	392,456	421,994	1,035,493	173,980	379,006	14,149,753
EXPENDITURES							
Current							
Instruction	5,851,497	-	368,990	-	-	226,993	6,447,480
Supporting Services	4,977,429	405,751	53,004	2,077	211,823	193,070	5,843,154
Capital Outlay	1,638,826	-	-	-	1,873,113	-	3,511,939
Debt Service							
Principal	99,720	-	-	805,000	-	-	904,720
Interest	6,518	-	-	271,864	-	-	278,382
TOTAL EXPENDITURES	12,573,990	405,751	421,994	1,078,941	2,084,936	420,063	16,985,675
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(827,166)	(13,295)	-	(43,448)	(1,910,956)	(41,057)	(2,835,922)
OTHER FINANCING SOURCES							
Transfers	(27,000)	27,000	-	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-	16,330,160	-	16,330,160
Gain from Sale of Land	1,071,805	-	-	-	-	-	1,071,805
TOTAL OTHER FINANCING SOURCES (USES)	1,044,805	27,000	-	-	16,330,160	-	17,401,965
NET CHANGE IN FUND BALANCES	217,639	13,705	-	(43,448)	14,419,204	(41,057)	14,566,043
FUND BALANCES, Beginning	5,535,049	73,776	-	801,403	-	352,084	6,762,312
FUND BALANCES, Ending	\$ 5,752,688	\$ 87,481	\$ -	\$ 757,955	\$ 14,419,204	\$ 311,027	\$ 21,328,355

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

PLATTE CANYON SCHOOL DISTRICT 1

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds			\$ 14,566,043
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.			
	Capital Outlay	3,589,302	
	Depreciation and Amortization	(682,810)	
	Loss on Disposal of Assets	<u>(425,000)</u>	2,481,492
Debt proceeds are reported as financial resources in the governmental funds and increase fund balance. In the government-wide financial statements, however, debt increases long-term liabilities in the statement of net position and do not affect the statement of activities.			(16,330,160)
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.			10,124
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.			
	Bond Principal Payments	805,000	
	Leases Principal Payments	99,720	
	Amortization of Bond Premium	101,187	
	Changes in Accrued Interest Payable	(58,975)	
	Changes in Compensated Absences	<u>(33,025)</u>	913,907
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.			
	Deferred charges related to Pension Plan	(322,834)	
	Deferred charges related to OPEB	<u>97,572</u>	<u>(225,262)</u>
Change in net position of governmental activities			<u>\$ 1,416,144</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Platte Canyon School District 1 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. The District is a political subdivision of the State of Colorado and is governed by an elected board of five members. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of these criteria, no additional organizations are includable within the District’s reporting entity.

Jointly Governed Organizations

The District is a participant among three districts in a jointly governed organization to operate the Blue Sky Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a five-member board of directors consisting of two board members from the District, two board members from Clear Creek School District, and one board member from Gilpin County School District. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119, Black Hawk, CO 80422 or from their website, <http://blueskyboces.com/financial-transparency/>.

Government-Wide and Fund Financial Statements

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. Fiduciary funds utilize the accrual basis of accounting.

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

The *Food Service Fund* accounts for the District's food service program.

The *Designated Grants Fund* accounts for the District's federal grant funds.

The *Bond Redemption Fund* is the fund that accounts for the repayment of the District's general obligation debt.

The *Capital Building Fund* is the fund that accounts for the District's capital improvement projects.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – The District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Inventories – Inventories in the governmental funds are valued using the purchase method. Under this method, inventories are recorded as expenditures when purchased. A physical inventory is taken annually at June 30th in the Food Service Fund. The inventory consists of donated commodities which were valued at the estimated acquisition value. Purchased commodities and supplies are valued at cost using the first-in, first-out (FIFO) method.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Due To and Due From Other Funds - Interfund balances are the result of the time lag between the dates that goods and services are provided and payments between funds are made.

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

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Site Improvements	20-50 years
Buildings and Improvements	10-50 years
Vehicles and Equipment	10-20 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during the school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2024 are reported as a liability in the General, Designated Grants, and Food Service Funds.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees may carry over a maximum of sixty days to the next fiscal year. These compensated absences are expensed when paid in the governmental fund types. As of June 30, 2024 a long-term liability in the amount of \$277,375 has been recorded in the government-wide financial statements for the accrued compensated absences.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets net of accumulated depreciation, less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports inventory balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the fund balances in the Bond Redemption Fund and Capital Building Fund are reported as restricted for debt service and capital improvements.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District reports portions of the fund balance of the Food Service Fund as committed resources as of June 30, 2024.

- **Assigned** – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The District has classified the fund balances of the Student Activities Fund and Swimming Pool Fund as assigned because their use has been designated for a specific purpose by the District.

- **Unassigned** – This classification includes the residual fund balance that does not meet any of the above criteria for the General Fund. The Unassigned classification also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management (Continued)

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

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2024 consist of the following:

Petty Cash	\$	200
Deposits		1,102,011
Investments		<u>21,778,139</u>
Total	\$	<u>22,880,350</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	\$	6,405,331
Cash and Investments - Restricted		<u>16,475,019</u>
	\$	<u>22,880,350</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: **CASH AND INVESTMENTS** (Continued)

Deposits (Continued)

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2024, the District had deposits with financial institutions with a carrying amount of \$1,102,011. The bank balances with the financial institutions were \$1,095,076. Of these balances, \$250,000 was covered by federal depository insurance and \$845,076 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2024, the District reports the following investments:

	Fair Value	Investment Maturity (Years)	
		Less Than One Year	One To Five Years
CSIP LGIP	\$ 6,517,365	\$ 6,517,365	\$ -
CSIP Term	9,225,000	9,225,000	-
ColoradoTrust	6,035,774	6,035,774	-
Total	\$ 21,778,139	\$ 21,778,139	\$ -

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The District follows State of Colorado’s statute which limits investments in money market funds to those with the highest rating issued by NRSRO’s and with a constant share price, or to money market funds that invest only in specific securities.

The District invested \$6,517,365 and \$9,225,000 in Colorado Statewide Investment Pool (CSIP) Liquid Portfolio (LGIP) and Term Portfolio (Term), respectively.

These funds invest in fully liquid, variable rate investment options (LGIP) as well as in shares of fixed-rate, and fixed-term investments (Term) authorized under Colorado Revised Statutes 24-75-601 et. seq.

The CSIP LGIP portfolio is rated AAAM by Standard & Poor’s and AAAMmf by Fitch Ratings. CSIP Term portfolio is rate AAAf by Fitch Ratings.

These investments are valued using Level 1 inputs.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The District had invested \$6,035,774 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00 (net asset value). Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities.

A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. The District's investments are measured at fair market value.

Restricted Cash

At June 30, 2024, cash in the amount of \$15,742,365 and \$732,654 are restricted in the Bond Redemption Fund and Capital Building Fund for debt service and capital improvements, respectively.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 3: CAPITAL ASSETS

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 1,360,530	\$ -	\$ 425,000	\$ 935,530
Construction in Progress	-	3,521,953	-	3,521,953
Total Capital Assets, Not Depreciated	<u>1,360,530</u>	<u>3,521,953</u>	<u>425,000</u>	<u>4,457,483</u>
Capital Asset, Being Depreciated/Amortized				
Buildings and Improvements	23,337,946	-	-	23,337,946
Site Improvements	2,331,993	-	-	2,331,993
Equipment	2,355,426	67,349	-	2,422,775
Right to Use Assets	1,185,781	-	-	1,185,781
Total Capital Assets, Being Depreciated/Amortized	<u>29,211,146</u>	<u>67,349</u>	<u>-</u>	<u>29,278,495</u>
Accumulated Depreciation/Amortization				
Buildings and Improvements	14,735,080	452,783	-	15,187,863
Site Improvements	1,458,072	46,938	-	1,505,010
Equipment	1,668,468	93,810	-	1,762,278
Right to Use Assets	458,969	89,279	-	548,248
Total Depreciation/Amortization	<u>18,320,589</u>	<u>682,810</u>	<u>-</u>	<u>19,003,399</u>
Net Capital Assets, Depreciated/Amortized	<u>10,890,557</u>	<u>(615,461)</u>	<u>-</u>	<u>10,275,096</u>
Net Capital Assets	<u>\$ 12,251,087</u>	<u>\$ 2,906,492</u>	<u>\$ 425,000</u>	<u>\$ 14,732,579</u>

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Governmental Activities	
Instruction	\$ 365,553
Supporting Services	<u>317,257</u>
Total	<u>\$ 682,810</u>

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: LONG-TERM DEBT

The following is a summary of the District’s long-term debt transactions for the year ended June 30, 2024:

	Balance 6/30/2023	Additions	Payments	Balance 6/30/2024	Due In One Year
Direct Borrowings					
2015 GO Bonds	\$ 805,000	\$ -	\$ 805,000	\$ -	\$ -
Bond Premium	27,981	-	27,981	-	-
2024 Bonds	-	14,500,000	-	14,500,000	260,000
2024 Premium	-	1,830,160	73,206	1,756,954	
Total Direct Borrowings	832,981	16,330,160	906,187	16,256,954	260,000
Net Pension Liability	13,724,847	3,992,078	-	17,716,925	-
Net OPEB Liability	467,649	-	39,856	427,793	-
Compensated Absences	244,350	121,158	88,133	277,375	27,738
Total Long-Term Obligations	\$ 15,269,827	\$ 20,443,396	\$ 1,034,176	\$ 34,679,047	\$ 287,738

2015 General Obligation Bonds

The District issued \$5,995,000 of Series 2015 General Obligation Bonds. Proceeds of the bonds were used to partially refund the 2005 bonds. The bonds carry interest rates ranging from 2% to 4%. Semi-annual interest payments are due on June 1 and December 1 of each year. Principal payments on the bonds are due on December 1 through 2024. Payments are made through the District’s Bond Redemption Fund. The bond was paid in full in December 2024

2024 General Obligation Bonds

In January 2024, the District issued \$14,500,000 of Series 2024 General Obligation Bonds. Proceeds of the bonds, including bond premium of \$1,830,160, are being used to finance the construction, installation and equipping of capital projects approved by District voters at an election held on November 7, 2023, and to pay the costs of issuing the bonds. The bonds carry an interest rate of 5 percent. Semi-annual interest payments are due on June 1 and December 1, beginning on June 1, 2024 through December 1, 2048. Principal payments on the bonds are due on December 1, beginning on December 1, 2024 through December 1, 2048. Payments are made through the District’s Capital Building Fund.

Bonds maturing on and before December 1, 2033 are not subject to redemption prior to their respective maturity dates. Bond maturing on and after December 1, 2034 are subject to redemption prior to maturity, at the option of the District.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: **LONG-TERM DEBT** (Continued)

The bonds maturing on December 1, 2043 are subject to mandatory sinking fund redemption by lot on December 1, of each year, at a redemption price equal to the principal amount thereof (with no redemption premium) plus accrued interest to the redemption date.

Annual debt service requirements on the bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 260,000	\$ 718,500	\$ 978,500
2026	320,000	704,000	1,024,000
2027	335,000	687,625	1,022,625
2028	350,000	670,500	1,020,500
2029	370,000	652,500	1,022,500
2030-2034	2,150,000	2,957,500	5,107,500
2035-2039	2,740,000	2,350,000	5,090,000
2040-2044	3,505,000	1,572,625	5,077,625
2045-2049	4,470,000	580,500	5,050,500
Total	<u>\$ 14,500,000</u>	<u>\$ 10,893,750</u>	<u>\$ 25,393,750</u>

NOTE 5: **LEASES**

The following is a summary of the District's lease transactions for the year ended June 30, 2024:

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Due In</u> <u>One Year</u>
Energy Lease	\$ 746,420	\$ -	\$ 84,965	\$ 661,455	\$ 90,362
Copier Lease	62,235	-	14,755	47,480	15,278
Totals	<u>\$ 808,655</u>	<u>\$ -</u>	<u>\$ 99,720</u>	<u>\$ 708,935</u>	<u>\$ 105,640</u>

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: LEASES (Continued)

2016 Energy Efficiency Lease

In 2016, the District entered into a lease agreement in the amount of \$1,196,074 for energy efficiency improvements, including upgrades to lighting throughout the District’s facilities. The lease carries an interest rate of 2.85%. Annual lease payments are due on May 1 through 2031. The District has capitalized assets related to the lease in the amount of \$1,109,074. In the event of default, all past due, current, and future amounts will become immediately due and payable. The District would be required to return equipment to the lessor at the District’s expense. The lessor may sell, lease, or otherwise dispose of any equipment under the lease, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy, or privilege available under applicable laws. Total lease expense for the year ended June 30, 2024 was \$106,237.

2022 Copier Lease

In July 2022, the District entered into a 5 year lease agreement in the amount of \$76,707 for the purchase of copiers. The implied interest rate on the lease is 3.49%. Monthly principal and interest payments in the amount of \$1,391 are due through June 2027. Total lease expense for the year ended June 30, 2024 was \$16,692.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 105,640	\$ 20,266	\$ 125,906
2026	111,820	17,148	128,968
2027	118,267	13,851	132,118
2028	108,032	10,636	118,668
2029	114,446	7,558	122,004
2030-2031	150,730	4,718	155,448
Totals	<u>\$ 708,935</u>	<u>\$ 74,177</u>	<u>\$ 783,112</u>

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: **INTERFUND BALANCES AND TRANSFERS**

At June 30, 2024, the Designated Grants Fund, Bond Redemption Fund, and the Capital Building Fund owe \$24,994, \$13,785, and \$485, respectively, to the General Fund for expenses paid by the General Fund on behalf of the funds.

During the year ended June 30, 2024, the General Fund transferred \$27,000 to the Food Service Fund to provide additional support to that fund.

NOTE 7: **DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Contributions provisions as of June 30, 2024: Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 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 Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,342,591 for the year ended June 30, 2024.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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. District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024 the District reported a liability of \$17,716,925 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 17,716,925
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	\$ 388,480
Total	\$ 18,105,405

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2023, the District’s proportion was 0.10%, which was an increase of 0.0248% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$1,701,790 and revenue of \$29,598 for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 840,118	\$ -
Changes in assumptions and other inputs	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 1,270,028	\$ -
Changes in proportion between contributions recognized and proportionate share of contributions	\$ 2,651,314	\$ 965,784
Contributions subsequent to the measurement date	\$ 671,084	\$ -
Total	\$ 5,432,544	\$ 965,784

\$671,084 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2025	\$ (33,605)
2026	\$ 1,859,309
2027	\$ 2,324,089
2028	\$ (354,117)
2029	\$ -
Thereafter	\$ -

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

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

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

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

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial assumptions (Continued)

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

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

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's

November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (Continued)

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

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

Discount rate

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Discount rate (Continued)

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$23,690,478	\$17,716,925	\$12,735,707

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$67,195 for the year ended Jun 30, 2024.

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

At June 30, 2024, the District reported a liability of \$427,793 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. 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 0.0599%, which was an increase of 0.0027% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$30,377). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 87,680
Changes in assumptions and other inputs	\$ 5,031	\$ 45,360
Net difference between projected and actual earnings on OPEB plan investments	\$ 13,231	\$ -
Changes in proportion between contributions recognized and proportionate share of contributions	\$ 29,801	\$ 34,590
Contributions subsequent to the measurement date	\$ 33,587	\$ -
Total	\$ 81,650	\$ 167,630

\$33,587 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2025	\$ (61,042)
2026	\$ (33,162)
2027	\$ (10,974)
2028	\$ (14,464)
2029	\$ (794)
Thereafter	\$ 869

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions

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

	School Division
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.40%-11.00%
Safety Officers	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00% 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

¹ UnitedHealthcare MAPD PPO plans are 0% for 2023.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

Age-Related Morbidity Assumptions

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

Actuarial assumptions (Continued)

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

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

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

Actuarial assumptions (Continued)

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	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	\$415,514	\$427,793	\$441,148

¹For the January 1, 2024, plan year.

Discount rate

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Discount rate (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$505,277	\$427,793	\$361,505

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

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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 by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024 significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2024, the emergency reserve of \$443,542 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 4,992,700	\$ 5,703,204	\$ 5,458,272	\$ (244,932)	\$ 4,121,828
Specific Ownership Taxes	521,429	576,475	566,686	(9,789)	574,653
Earnings on Investments	135,000	165,000	237,240	72,240	182,993
All Other Local Revenue Codes	371,985	344,335	283,085	(61,250)	394,372
Total Local Sources	<u>6,021,114</u>	<u>6,789,014</u>	<u>6,545,283</u>	<u>(243,731)</u>	<u>5,273,846</u>
State Sources					
State Equalization	3,829,090	3,131,315	3,445,545	314,230	4,286,974
Colorado Early Literacy Grant	99,667	150,403	99,667	(50,736)	99,667
Exceptional Children's Education Act	2,500	2,500	229,186	226,686	161,195
Universal Preschool Program	287,520	272,000	324,302	52,302	-
Transportation	148,275	207,928	229,596	21,668	149,615
Rural Schools Funding	370,000	153,650	307,300	153,650	369,039
PERA-On Behalf Contribution	-	-	29,598	29,598	341,059
All Other State Revenue	326,771	302,254	302,067	(187)	229,840
Total State Sources	<u>5,063,823</u>	<u>4,220,050</u>	<u>4,967,261</u>	<u>747,211</u>	<u>5,637,389</u>
Federal Sources					
ESSER	18,268	34,606	89,274	54,668	623,983
Medicaid	42,064	42,064	56,697	14,633	79,068
All Other Federal Revenue	675	654	88,309	87,655	628
Total Federal Sources	<u>61,007</u>	<u>77,324</u>	<u>234,280</u>	<u>156,956</u>	<u>703,679</u>
TOTAL REVENUES	<u>11,145,944</u>	<u>11,086,388</u>	<u>11,746,824</u>	<u>660,436</u>	<u>11,614,914</u>
EXPENDITURES					
Instruction					
Salaries	4,029,330	3,882,514	3,799,597	82,917	3,796,397
Employee Benefits	1,172,431	1,205,624	1,288,415	(82,791)	1,102,180
Purchased Services	613,240	697,040	625,232	71,808	657,304
Supplies and Materials	95,608	134,984	127,156	7,828	110,735
Property	14,468	33,870	25,734	8,136	36,544
Other Objects and Uses	14,100	13,300	11,097	2,203	16,547
Total Instruction	<u>5,939,177</u>	<u>5,967,332</u>	<u>5,877,231</u>	<u>90,101</u>	<u>5,719,707</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
EXPENDITURES (Continued)					
Supporting Services					
Student Services					
Salaries	221,834	229,869	246,862	(16,993)	212,868
Employee Benefits	69,375	72,456	75,680	(3,224)	63,884
Purchased Services	102,600	102,600	115,681	(13,081)	103,917
Supplies and Materials	4,150	9,550	12,837	(3,287)	2,457
Total Students	<u>397,959</u>	<u>414,475</u>	<u>451,060</u>	<u>(36,585)</u>	<u>383,126</u>
Instructional Staff					
Salaries	238,491	234,806	230,354	4,452	202,241
Employee Benefits	71,194	70,093	64,835	5,258	60,173
Purchased Services	154,060	185,160	156,211	28,949	231,029
Supplies and Materials	37,390	51,690	46,307	5,383	37,472
Property	51,500	55,500	85,115	(29,615)	41,433
Other Objects and Uses	-	-	64	(64)	-
Total Instructional Staff	<u>552,635</u>	<u>597,249</u>	<u>582,886</u>	<u>14,363</u>	<u>572,348</u>
General Administration					
Salaries	93,384	93,384	99,500	(6,116)	91,349
Employee Benefits	38,637	40,595	34,452	6,143	30,481
Purchased Services	67,150	69,150	71,084	(1,934)	190,252
Supplies and Materials	800	800	465	335	931
Property	-	207	207	-	-
Other Objects and Uses	19,800	19,800	10,316	9,484	10,183
Total General Administration	<u>219,771</u>	<u>223,936</u>	<u>216,024</u>	<u>7,912</u>	<u>323,196</u>
School Administration					
Salaries	738,744	743,926	792,647	(48,721)	704,641
Employee Benefits	208,124	210,702	225,858	(15,156)	202,254
Purchased Services	1,626	3,626	3,381	245	2,247
Supplies and Materials	5,000	5,048	3,968	1,080	3,861
Property	1,000	500	4,598	(4,098)	-
Other Objects and Uses	3,350	3,550	2,036	1,514	3,209
Total School Administration	<u>957,844</u>	<u>967,352</u>	<u>1,032,488</u>	<u>(65,136)</u>	<u>916,212</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	158,803	164,803	202,598	(37,795)	139,021
Employee Benefits	44,141	44,984	53,385	(8,401)	37,964
Purchased Services	37,150	50,650	32,774	17,876	28,151
Supplies and Materials	51,500	59,000	58,441	559	48,808
Property	250	1,583	2,219	(636)	4,080
Other Objects and Uses	1,000	1,000	875	125	-
Total Business Services	<u>292,844</u>	<u>322,020</u>	<u>350,292</u>	<u>(28,272)</u>	<u>258,024</u>
Operations and Maintenance					
Salaries	507,395	516,192	497,656	18,536	451,690
Employee Benefits	170,215	173,653	206,954	(33,301)	488,877
Purchased Services	179,800	189,800	162,758	27,042	192,743
Supplies and Materials	455,493	485,743	401,139	84,604	517,382
Property	11,500	11,500	51,839	(40,339)	10,390
Total Operations and Maintenance	<u>1,324,403</u>	<u>1,376,888</u>	<u>1,320,346</u>	<u>56,542</u>	<u>1,661,082</u>
Student Transportation					
Salaries	402,338	366,515	145,141	221,374	396,640
Employee Benefits	122,181	94,384	117,521	(23,137)	123,325
Purchased Services	128,950	129,100	117,895	11,205	277,008
Supplies and Materials	95,188	98,653	69,822	28,831	124,544
Property	48,000	48,000	50,539	(2,539)	50,669
Total Student Transportation	<u>796,657</u>	<u>736,652</u>	<u>500,918</u>	<u>235,734</u>	<u>972,186</u>
Central Support					
Salaries	65,808	65,808	78,990	(13,182)	85,573
Employee Benefits	15,538	15,538	18,624	(3,086)	20,088
Purchased Services	265,204	263,345	275,496	(12,151)	208,976
Supplies and Materials	19,000	19,900	19,696	204	16,103
Property	800	800	280	520	77,371
Total Central Support	<u>366,350</u>	<u>365,391</u>	<u>393,086</u>	<u>(27,695)</u>	<u>408,111</u>
Other Support					
Salaries	126,000	71,741	82,551	(10,810)	144,539
Employee Benefits	1,850	1,056	4,833	(3,777)	5,725
Purchased Services	-	-	1,994	(1,994)	-
Other Objects and Uses	-	-	2,615	(2,615)	-
Total Other Support	<u>127,850</u>	<u>72,797</u>	<u>91,993</u>	<u>(19,196)</u>	<u>150,264</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
Facilities/Capital Outlay					
Purchased Services	1,674,000	115,000	228,535	(113,535)	563,851
Supplies	-	25,000	-		
Property	25,000	1,900,000	1,422,893	477,107	246,435
Debt Service	106,238	106,238	106,238	-	120,035
Total Facilities/Capital Outlay	<u>1,805,238</u>	<u>2,146,238</u>	<u>1,757,666</u>	<u>363,572</u>	<u>930,321</u>
Total Supporting Services	<u>6,841,551</u>	<u>7,222,998</u>	<u>6,696,759</u>	<u>501,239</u>	<u>6,574,870</u>
TOTAL EXPENDITURES	<u>12,780,728</u>	<u>13,190,330</u>	<u>12,573,990</u>	<u>591,340</u>	<u>12,294,577</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,634,784)</u>	<u>(2,103,942)</u>	<u>(827,166)</u>	<u>1,251,776</u>	<u>(679,663)</u>
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	-	-	-	-	76,707
Sale of Land	-	1,071,805	1,071,805	-	-
Transfers In (Out)	(114,300)	(85,000)	(27,000)	58,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(114,300)</u>	<u>986,805</u>	<u>1,044,805</u>	<u>58,000</u>	<u>76,707</u>
CHANGE IN FUND BALANCE	(1,749,084)	(1,117,137)	217,639	1,309,776	(602,956)
FUND BALANCES, Beginning	<u>5,172,764</u>	<u>5,534,080</u>	<u>5,535,049</u>	<u>969</u>	<u>6,138,005</u>
FUND BALANCES, Ending	<u>\$ 3,423,680</u>	<u>\$ 4,416,943</u>	<u>\$ 5,752,688</u>	<u>\$ 1,310,745</u>	<u>\$ 5,535,049</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 FOOD SERVICE FUND
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources	\$ 6,400	\$ 6,400	\$ 13,524	\$ 7,124	\$ 122,878
State Sources	140,400	148,895	168,420	19,525	4,269
Federal Sources	119,380	202,040	210,512	8,472	146,766
TOTAL REVENUES	266,180	357,335	392,456	35,121	273,913
EXPENDITURES					
Supporting Services					
Salaries	133,210	129,179	119,796	9,383	126,079
Benefits	34,463	31,630	37,681	(6,051)	34,239
Purchased Services	2,750	2,750	989	1,761	2,072
Food	205,850	205,850	172,240	33,610	123,739
Other Supplies	-	-	11,312	(11,312)	9,153
Property	5,000	57,251	54,856	2,395	13,949
Other Objects and Uses	2,000	2,000	8,877	(6,877)	319
TOTAL EXPENDITURES	383,273	428,660	405,751	22,909	309,550
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(117,093)	(71,325)	(13,295)	58,030	(35,637)
OTHER FINANCING SOURCES (USES)					
Transfers In	114,300	85,000	27,000	(58,000)	-
CHANGE IN FUND BALANCE	(2,793)	13,675	13,705	30	(35,637)
FUND BALANCES, Beginning	128,749	71,919	73,776	1,857	109,413
FUND BALANCES, Ending	\$ 125,956	\$ 85,594	\$ 87,481	\$ 1,887	\$ 73,776

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
DESIGNATED GRANTS FUND
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Federal Sources	\$ 446,677	\$ 446,677	\$ 421,994	\$ (24,683)	\$ 448,615
TOTAL REVENUES	446,677	446,677	421,994	(24,683)	448,615
EXPENDITURES					
Instruction					
Salaries	294,913	295,078	266,405	28,673	268,740
Benefits	94,423	95,432	100,031	(4,599)	86,702
Purchased Services	-	-	-	-	718
Materials and Supplies	6,266	5,091	2,554	2,537	6,813
Other Objects and Uses	50	50	-	50	-
Total Instruction	395,652	395,651	368,990	26,661	362,973
Supporting Services					
Salaries	28,011	28,010	29,272	(1,262)	35,232
Benefits	8,402	8,402	11,105	(2,703)	9,210
Purchased Services	2,000	2,000	-	2,000	3,000
Materials and Supplies	889	891	1,781	(890)	-
Property	11,723	11,723	10,846	877	38,200
Total Supporting Services	51,025	51,026	53,004	(1,978)	85,642
TOTAL EXPENDITURES	446,677	446,677	421,994	24,683	448,615
CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability (Asset)	0.1000%	0.0754%	0.0865%	0.1036%	0.0946%	0.0960%	0.1157%	0.1217%	0.1279%	0.1328%
Proportionate Share of the Net Pension Liability (Asset)	\$ 17,716,925	\$ 13,724,847	\$ 10,066,451	\$ 15,655,850	\$ 14,139,316	\$ 16,994,316	\$ 37,398,411	\$ 36,220,517	\$ 19,563,383	\$ 17,992,775
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	388,480	3,999,558	1,035,306	-	1,793,393	2,323,737	-	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	\$ 18,105,405	\$ 17,724,405	\$ 11,101,757	\$ 15,655,850	\$ 15,932,709	\$ 19,318,053	\$ 37,398,411	\$ 36,220,517	\$ 19,563,383	\$ 17,992,775
Covered payroll	\$ 6,623,426	\$ 5,812,203	\$ 5,404,388	\$ 5,540,027	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961	\$ 5,574,417	\$ 5,561,486
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	267.5%	236.1%	186.3%	282.6%	255.87%	322.09%	701.00%	663.38%	350.95%	323.52%
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,342,591	\$ 1,284,926	\$ 1,106,153	\$ 1,084,051	\$ 1,070,918	\$ 1,009,347	\$ 993,908	\$ 989,891	\$ 966,046	\$ 913,752
Contributions in Relation to the Contractually Required Contributions	1,342,591	1,284,926	1,106,153	1,084,051	1,070,918	1,009,347	993,908	989,891	966,046	913,752
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,587,784	\$ 6,304,839	\$ 5,564,141	\$ 5,453,020	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961	\$ 5,574,417	\$ 5,561,486
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.63%	18.13%	17.33%	16.43%

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.0599%	0.0570%	0.0565%	0.0599%	0.0618%	0.0624%	0.0657%	0.0691%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 427,793	\$ 467,649	\$ 486,869	\$ 569,264	\$ 695,177	\$ 848,762	\$ 854,022	\$ 896,534
Covered payroll	6,623,426	5,812,203	5,404,388	\$5,540,027	\$5,525,893	\$5,276,252	\$5,334,985	\$5,459,961
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	6.5%	8.0%	9.0%	10.3%	12.58%	16.09%	16.01%	16.42%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: Information for the prior two years was not available for this report.

PLATTE CANYON SCHOOL DISTRICT 1

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

Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 67,195	\$ 64,309	\$ 56,754	\$ 55,621	\$ 56,364	\$ 53,818	\$ 54,417	\$ 55,692
Contributions in Relation to the Contractually Required Contributions	67,195	64,309	56,754	55,621	56,364	53,818	54,417	55,692
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,587,784	\$ 6,304,839	\$ 5,564,141	\$ 5,453,020	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior two years was not available for this report.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted in accordance with State Budget Law on each fund's basis of accounting unless indicated. All appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of the District submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- The Board can modify the budget by line item at any time. Total appropriation can only be modified upon completion of notification and publication requirements.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.

NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN

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.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 2: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN** (Continued)

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

NOTE 3: **SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN**

There were no changes made to the actuarial methods or assumptions in 2023.

NOTE 4: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

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 5: **SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

There were no changes made to the actuarial methods or assumptions in 2023.

COMBINING AND INDIVIDUAL FUND SCHEDULES

PLATTE CANYON SCHOOL DISTRICT 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 171,731	\$ 143,175	\$ 314,906
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 171,731</u>	<u>\$ 143,175</u>	<u>\$ 314,906</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	3,714	-	3,714
Accrued Salaries and Benefits	-	165	165
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>3,714</u>	<u>165</u>	<u>3,879</u>
FUND EQUITY			
Assigned	168,017	143,010	311,027
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>168,017</u>	<u>143,010</u>	<u>311,027</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 171,731</u>	<u>\$ 143,175</u>	<u>\$ 314,906</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local Sources	\$ 194,846	\$ 184,160	\$ 379,006
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	194,846	184,160	379,006
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current			
Instruction	226,993	-	226,993
Supporting Services	-	193,070	193,070
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	226,993	193,070	420,063
	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	(32,147)	(8,910)	(41,057)
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES, Beginning	200,164	151,920	352,084
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES, Ending	<u>\$ 168,017</u>	<u>\$ 143,010</u>	<u>\$ 311,027</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 STUDENT ACTIVITIES FUND
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Other	\$ 192,271	\$ 255,910	\$ 194,846	\$ (61,064)	\$ 231,706
TOTAL REVENUES	<u>192,271</u>	<u>255,910</u>	<u>194,846</u>	<u>(61,064)</u>	<u>231,706</u>
EXPENDITURES					
Instruction					
Purchased Services	-	-	18,859	(18,859)	10,764
Materials and Supplies	169,215	231,467	207,498	23,969	195,617
Other Objects and Uses	-	-	636	(636)	2,683
TOTAL EXPENDITURES	<u>169,215</u>	<u>231,467</u>	<u>226,993</u>	<u>4,474</u>	<u>209,064</u>
CHANGE IN FUND BALANCE	23,056	24,443	(32,147)	(56,590)	22,642
FUND BALANCE, Beginning	<u>195,495</u>	<u>200,164</u>	<u>200,164</u>	<u>-</u>	<u>177,522</u>
FUND BALANCE, Ending	<u>\$ 218,551</u>	<u>\$ 224,607</u>	<u>\$ 168,017</u>	<u>\$ (56,590)</u>	<u>\$ 200,164</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 SWIMMING POOL FUND
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 99,906	\$ 99,876	\$ 99,274	\$ (602)	\$ 105,003
Charges for Services	78,338	82,582	84,886	2,304	82,901
TOTAL REVENUES	178,244	182,458	184,160	1,702	187,904
EXPENDITURES					
Supporting Services					
Salaries	93,046	98,046	113,871	(15,825)	106,620
Benefits	27,404	27,893	35,607	(7,714)	29,663
Purchased Services	3,850	7,850	8,581	(731)	3,716
Supplies	37,524	37,524	33,974	3,550	42,946
Property	3,500	3,500	697	2,803	27
Other Objects and Uses	8,500	8,500	340	8,160	493
Contingency	-	151,065	-	151,065	-
TOTAL EXPENDITURES	173,824	334,378	193,070	141,308	183,465
CHANGE IN FUND BALANCE	4,420	(151,920)	(8,910)	143,010	4,439
FUND BALANCE, Beginning	148,378	151,920	151,920	-	147,481
FUND BALANCE, Ending	\$ 152,798	\$ -	\$ 143,010	\$ 143,010	\$ 151,920

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 27,060	\$ 769,104	\$ 1,003,378	\$ 234,274	\$ 694,785
Earnings on Investments	750	13,000	32,115	19,115	17,714
TOTAL REVENUES	27,810	782,104	1,035,493	253,389	712,499
EXPENDITURES					
Supporting Services					
Purchased Services	10,000	12,000	2,077	9,923	1,808
Debt Service					
Principal	805,000	805,000	805,000	-	775,000
Interest	16,100	271,865	271,864	1	47,700
TOTAL EXPENDITURES	831,100	1,088,865	1,078,941	9,924	824,508
CHANGE IN FUND BALANCE	(803,290)	(306,761)	(43,448)	263,313	(112,009)
FUND BALANCE, Beginning	852,912	801,403	801,403	-	913,412
FUND BALANCE, Ending	\$ 49,622	\$ 494,642	\$ 757,955	\$ 263,313	\$ 801,403

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 CAPITAL BUILDING FUND
 Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Other	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	-	173,980	173,980
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>173,980</u>	<u>173,980</u>
EXPENDITURES				
Supporting Services	-			
Purchased Services	-	215,000	211,823	3,177
Property	-	1,250,000	1,873,113	(623,113)
Contingency	-	13,235,000	-	13,235,000
TOTAL EXPENDITURES	<u>-</u>	<u>14,700,000</u>	<u>2,084,936</u>	<u>12,615,064</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(14,700,000)</u>	<u>(1,910,956)</u>	<u>12,789,044</u>
OTHER FINANCING SOURCES				
Proceeds from Issuance of Debt	-	14,700,000	16,330,160	1,630,160
CHANGE IN FUND BALANCE	-	-	14,419,204	14,419,204
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,419,204</u>	<u>\$ 14,419,204</u>

See the accompanying independent auditor's report.



Colorado Department of Education
Auditors Integrity Report
 District: 2600 - Platte Canyon 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	5,874,594		12,791,629	12,594,243		6,071,979
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	-339,543		0	-20,254		-319,289
Sub-Total	5,535,051		12,791,629	12,573,989		5,752,690
11 Charter School Fund	0		0	0		0
20-26-29 Special Revenue Fund	151,920		184,160	193,070		143,009
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	73,777		419,457	405,751		87,482
22 Govt Designated-Purpose Grants Fund	1		421,994	421,994		1
23 Pupil Activity Special Revenue Fund	200,171		194,846	227,000		168,017
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	801,404		1,035,492	1,078,941		757,955
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		16,504,140	2,084,936		14,419,204
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	6,762,323		31,551,717	16,985,681		21,328,359
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

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