

Haxtun School District RE-2J
Haxtun, Colorado

Financial Statements

For the Year Ended June 30, 2024

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12-13
Statement of Activities	14-15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16-17
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	18-19
Notes to Financial Statements	20-55
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	58
Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund	60-61
Schedule of District Contributions – PERA's School Division Trust Fund	62-63
Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund	64-65
Schedule of District Contributions – PERA's Health Care Trust Fund	66-67
Notes to the Required Supplementary Information	68
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule – Revenues	72
Budgetary Comparison Schedule – Expenditures	74-76
Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	79
Budgetary Comparison Schedule – Food Service Fund	80
Budgetary Comparison Schedule – Pupil Activity Fund	81
Budgetary Comparison Schedule – Scholarship Fund	82

Table of Contents

	<u>Page</u>
Debt Service Fund	
Budgetary Comparison Schedule – Bond Redemption Fund	84
Capital Projects Fund	
Budgetary Comparison Schedule – Capital Reserve Capital Projects Fund	86
Colorado Department of Education Supplementary Schedule	
Auditors' Integrity Report	88



Independent Auditors' Report

Board of Education
Haxtun School District RE-2J
Haxtun, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Haxtun School District RE-2J (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, budgetary comparison information and historical pension and other post-employment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and the auditors' integrity report listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the auditors' integrity report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
November 7, 2024

**HAXTUN SCHOOL DISTRICT RE-2J
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2024**

This section of Haxtun School District RE-2J's annual financial report presents its discussion and analysis of the District's financial performance during the year ended June 30, 2024.

Financial Highlights

- The assets and deferred outflows of resources of Haxtun School District RE-2J exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,395,747 (net position).
- The district's total net position increased by \$546,353.
- General revenues accounted for \$4,937,998 or 80% of the \$6,160,246 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for \$1,222,248 or 20% of revenues.
- The general fund ending fund balance reached \$2,290,428, an increase of \$85,174 from last year.

Overview of Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Statements

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to 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 retiree's early retirement bonuses). In the government-wide financial statements, the School District's activities include the following:

- **Governmental activities:** Most of the School District’s basic services are included here, such as instruction, transportation, maintenance and operations, administration, food service and pupil activities. Taxes and intergovernmental revenues principally support these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District’s operations, focusing on the most significant or “major” funds, not the School District as a whole. The School District has one kind of fund: governmental funds.

Governmental Funds

Most of the District’s basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School District’s program.

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. Thus, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund, Bond Redemption Fund and Capital Reserve Capital Projects Fund which are considered to be major funds. Data for the other three nonmajor governmental funds are combined in a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 20-55 of this report.

Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District’s annual appropriated budgets with comparison statements that demonstrate compliance with budgets. Budgeted amounts may be found on pages 72-86.

Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District’s financial position.

74% of the School District’s assets are its investment in capital assets (e.g., land, buildings and equipment). The school District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the district’s net position (liabilities) as of June 30, 2024 and June 30, 2023.

	Governmental Activities		Total Percentage Change
	2024	2023	2023-2024
Current and Other assets	\$3,908,112	\$3,398,105	15.01%
Capital assets	11,042,161	11,208,085	-1.48%
Total assets	14,950,273	14,606,190	2.36%
Deferred outflows of resources	1,273,561	1,092,644	16.56%
Total assets and deferred outflows of resources	\$16,223,834	\$15,698,834	3.34%
Long term liabilities	\$8,869,966	\$8,404,263	5.54%
Other liabilities	472,705	468,923	0.81%
Total liabilities	9,342,671	8,873,186	5.29%
Deferred inflows of resources	485,416	976,254	-50.28%
Net investment in capital assets	8,328,181	8,178,714	1.83%
Restricted	782,647	671,921	16.48%
Unrestricted	(2,715,081)	(3,001,241)	-9.53%
Total net position	6,395,747	5,849,394	9.34%
Total liabilities, deferred inflows of resources and net position	\$16,223,834	\$15,698,834	3.34%

Following is a summary of the School District's change in net position.

	Governmental Activities		Total Percentage Change
Revenues	2024	2023	2023-2024
Program Revenues			
Charges for services	\$ 78,662	\$ 119,616	-34.24%
Operating Grants & Contributions	1,050,303	1,155,430	-9.10%
Capital Grants & Contributions	93,283	120,161	-22.37%
General Revenues			
Property taxes	1,546,081	1,524,381	1.42%
State equalization	2,925,947	2,657,646	10.10%
Other	465,970	532,903	-12.56%
Total Revenue	6,160,246	6,110,137	0.82%
Expenses			
Instruction	3,112,266	3,309,691	-5.97%
Pupil & Instructional Services	381,661	310,601	22.88%
Administration & Business	682,619	707,437	-3.51%
Maintenance & Operations	434,038	412,327	5.27%
Transportation	287,240	235,145	22.15%
Other	716,069	628,267	13.98%
Total Expenses	5,613,893	5,603,468	0.19%
Change in net position	\$ 546,353	\$ 506,669	7.83%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received \$13,171 per funded student. In fiscal year 2024 the funded pupil count was 302.2. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 69% percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated \$1,129,945 in property taxes levied for general use for fiscal year 2024.

Governmental Funds

The focus of the School 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 School district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of \$3,421,689, an increase of \$503,457 in comparison with the prior year. The General Fund, Bond Redemption Fund, Capital Reserve Capital Projects Fund and Other Governmental Funds had fund balance increases of \$85,174, \$16,796, \$398,289 and \$3,198, respectively.

General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund.

- The revenues increased due to more revenues received than budgeted in specific ownership tax and interest earned, the State Mill Levy Override Match Program, the onetime UPK Hold Harmless Payment and various grants such as the Rural CO Action Grant, Public Safety Grant and monies received for Special Education.
- While the revenues were more than anticipated in the General Fund the district was able to make a substantial transfer of funds to the Capital Reserve fund of \$701,000. The transfer of funds in FY 23-24 went to purchasing technology supplies such as student chrome books, staff computers, the 2nd half repaving of the elementary parking lot, and continuing loan payments at Points West Bank for the districts share of the HVAC and roof project. The district also set aside \$75,000 in BEST Capital Reserves for future repairs for the Middle/Jr High Building. The district has also tagged funds for two new school busses scheduled to arrive in FY 24-25.

The differences that are found between the final budget and the actual revenues and actual expended amounts for 2023-2024 school year are as follows:

- **Revenues - Budgeted Revenues \$4,906,744 Actual Revenues \$5,206,044**

Increased revenues \$299,300

- **Local Revenues - Budgeted Revenues \$1,332,882 Actual Revenues \$1,445,501**

\$112,619 increase in the local income source amounts.

The largest contributing factor was an increase in Specific Ownership Taxes of \$55,725.12 and Interest on Investments of \$23,378.59. The remaining increases can be found in the other line items in the local revenue sources.

- **State Revenues - Budgeted revenues \$3,326,344, Actual Revenues \$3,482,025**

\$155,681 increase in the state income source amounts.

The main difference is attributed to the Mill Levy Override Match totaling \$94,068, increase of Special Education BOCES Pass through dollars of \$12,372, One Time UPK Hold Harmless payment of \$24,510 and the Public Safety Grant of \$20,014. The remaining increases can be found in the other line items in the state revenue sources.

- **Federal Revenues - Budgeted Revenues \$247,518 Actual Revenues \$283,025**

\$35,507 increase in federal source amounts.

The main increase in federal source amounts come from the Rural CO Action Grant increase of \$23,510 and smaller grants received from NEBOCES. The remaining increases can be found in the other line items in the state revenue sources.

- **Expenses - Budgeted Expenses \$4,369,137 Actual Expenses \$4,322,710**

\$46,427 decrease in actual versus budgeted expenditures can be attributed to several factors, the most significant being a decrease in cost of natural gas and the difference in anticipated to actual costs of salaries and benefits in the Maintenance and Operations budget.

- **Salaries - Budgeted \$2,410,916 Actual \$2,402,014**

\$8,902 decrease in salaries. This decrease is mainly accounted for salaries in the Maintenance and Operations budget.

- **Employee Benefits - Budgeted \$856,150 Actual \$849,679**

\$6,471 decrease in benefits. This decrease is mainly accounted for benefits which were less than anticipated in the Maintenance and Operations budget.

- **Purchase Service - Budgeted \$640,923 Actual \$582,199**

\$58,724 decrease in purchased services. Contributing factors were a decrease in District Curriculum Purchases Services, less than expected costs of copy machines, and concurrent enrollment classes costing less in 2nd semester. Increases and decreases can be found in the line items associated with purchased services.

- **Supplies - Budgeted \$449,328 Actual \$479,421**

\$30,093 increase in supplies. The main factor contributing to an increase in supplies was the purchase of district curriculum supplies for an elementary reading curriculum and supplies purchased with the Public Safety Grant and the Rural CO Action Grant. Increases and decreases can be found in the line items associated with supplies.

- **Major Projected Expenses for FY 2024-2025**

Supplies and purchased services to complete the Public Safety Grant updates such as new doors, new doors and framing of the High School Vestibule and high impact window film with grant costs covering \$83,485.78. The purchase of two new route school busses costing \$240,000, and the continued replacement and costs related to new technology equipment, chrome books and computers with a budgeted amount of \$70,000 between the General and Capital Reserve Fund.

Capital Assets and Debt Administration

Capital Assets

The School Districts investment in capital assets for its governmental and business type activities as of June 30, 2024 amounts to \$11,042,161 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, construction in progress, and capital leases all with an original cost greater than \$5,000.

The School District's total capital assets at June 30, 2024 net of accumulated depreciation were as follows:

	Governmental Activities
Land and Land Improvement	\$ 244,765
Building Improvements	10,213,929
Equipment & Furniture	305,839
Leased Equipment	56,549
Vehicles	<u>221,079</u>
Total Capital Assets	<u>\$ 11,042,161</u>

Additional information on the School District's capital assets can be found in note E on pages 31-32 to the basic financial statements.

Long-Term Debt

At year-end, the School District's long-term debt of \$2,767,729 represented its compensated absences of \$53,749, financed purchases of \$621,671, general obligation bonds of \$2,033,585 and lease payable of \$58,724. Additional information on the School District's long-term debt can be found in note G on pages 32-34 to the basic financial statements.

Economic Factors

- For FY 23-24 the district was able to increase the base on all of its salary schedules for certified and classified employees. This has allowed for Haxtun School District to retain highly qualified teachers and staff. The district was also able to provide quality health insurance.
- For the FY 24-25 the district was able to increase the base on all of its salary schedules for certified and classified employees.
- Two major projects the district was able to complete in FY 23-24 was the repaving of the elementary parking lot, completion of the Preschool classroom renovations and continued upgrades to technology.
- The district was able to transfer a significant amount of funds to the Capital Reserve Fund for the purchase of two new school busses.
- The district's student population has decreased in FY 24-25 with an average funded pupil count of 293. Enrollment numbers are predicted to continue to decrease due to graduating larger class sizes than compared to incoming Kindergarten numbers.
- Although, the State of Colorado has reduced the budget stabilization factor to zero for FY 24-25, the governor and the state legislature have predicted an economic downturn for the State of Colorado. This will in turn create a deficit in the state budget which will filter down to local school districts through less State Share dollars.
- The governor has also proposed for school districts to be funded on their actual counts for the current year and discounting the five year average formula.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Haxtun School District RE-2J, 201 West Powell Street, Haxtun, CO 80731.

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

HAXTUN SCHOOL DISTRICT RE-2J
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$ 688,444
Cash with fiscal agent	355,337
Certificates of deposit	437,215
Investments	2,320,518
Receivables	96,586
Inventory	10,012
Capital assets, net of depreciation	<u>11,042,161</u>
Total assets	14,950,273
Deferred outflows of resources	
Pension deferrals	1,251,446
Other post-employment benefit deferrals	<u>22,115</u>
Total deferred outflows of resources	<u>1,273,561</u>
Total assets and deferred outflows of resources	<u><u>\$ 16,223,834</u></u>

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

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 27,520
Accrued salaries and benefits	340,002
Unearned revenue	2,291
Unearned grant revenue	95,009
Accrued interest payable	7,883
Noncurrent liabilities	
Due within one year	304,485
Due in more than one year	2,463,244
Net pension liability	5,958,368
Net other post-employment benefit deferrals	<u>143,869</u>
Total liabilities	9,342,671
Deferred inflows of resources	
Pension deferrals	418,011
Other post-employment benefit deferrals	<u>67,405</u>
Total deferred inflows of resources	485,416
Net position	
Net investment in capital assets	8,328,181
Restricted for:	
Emergencies	160,000
Universal preschool program	24,093
Debt service	329,961
BEST capital reserve	75,000
Food service operations	114,198
Scholarships	79,395
Unrestricted (deficit)	<u>(2,715,081)</u>
Total net position	<u>6,395,747</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 16,223,834</u></u>

HAXTUN SCHOOL DISTRICT RE-2J
Statement of Activities
For the Year Ended June 30, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 3,112,266	\$ 57,536	\$ 663,379	\$ 93,283
Supporting services				
Students	150,857		49,345	
Instructional staff	230,804		86,126	
General administration	244,748			
School administration	331,638			
Business services	106,233		800	
Operations and maintenance	434,038		20,014	
Student transportation	287,240		40,092	
Central support services	50,112			
Food service operations	230,856	21,126	190,547	
Facilities acquisition	38,336			
Interest on long-term debt	110,760			
Unallocated depreciation *	286,005			
Total governmental activities	<u>\$ 5,613,893</u>	<u>\$ 78,662</u>	<u>\$ 1,050,303</u>	<u>\$ 93,283</u>
		General revenues		
		Taxes		
		Property taxes, levied for general purposes		
		Property taxes, levied for debt service		
		Specific ownership taxes		
		Delinquent taxes and interest		
		State equalization		
		Earnings on investments		
		Other		
		Total general revenues		
		Change in net position		
		Net position at beginning of year		
		Net position at end of year		

* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

Net (Expenses)
Revenues and
Changes in
Net Position

Governmental
Activities

\$ (2,298,068)

(101,512)

(144,678)

(244,748)

(331,638)

(105,433)

(414,024)

(247,148)

(50,112)

(19,183)

(38,336)

(110,760)

(286,005)

(4,391,645)

1,129,945

253,625

159,725

2,786

2,925,947

122,416

343,554

4,937,998

546,353

5,849,394

\$ 6,395,747

HAXTUN SCHOOL DISTRICT RE-2J
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Other Governmental Funds
Assets				
Cash	\$ 368,762		\$ 3,569	\$ 316,113
Cash with fiscal agent	22,478	\$ 332,859		
Certificates of deposit	377,199			60,016
Investments	1,895,708		424,810	
Due from other funds	22,085			
Property taxes receivable	58,494	13,128		
Grant receivables	24,510			
Other receivables				454
Inventory				10,012
Total assets	\$ 2,769,236	\$ 345,987	\$ 428,379	\$ 386,595
Liabilities				
Due to other funds		\$ 12,067		\$ 10,018
Accounts payable	\$ 26,155			1,365
Accrued salaries and benefits	340,002			
Unearned revenue				2,291
Unearned grant revenue	95,009			
Total liabilities	461,166	12,067	\$ -	13,674
Deferred inflows of resources				
Deferred property tax revenues	17,642	3,959		
Fund balance				
Nonspendable for:				
Inventory				10,012
Restricted for:				
Emergencies	160,000			
Universal preschool program	24,093			
Debt service		329,961		
BEST capital reserve			75,000	
Food service operations				104,186
Scholarships				79,395
Assigned to risk management	75,348			
Committed to:				
Pupil activities				179,328
Capital projects			353,379	
Unassigned	2,030,987			
Total fund balance	2,290,428	329,961	428,379	372,921
Total liabilities, deferred inflows of resources and fund balance	\$ 2,769,236	\$ 345,987	\$ 428,379	\$ 386,595

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

Total Governmental Funds	Amounts reported for governmental activities in the statement of net position is different because:	
	Total fund balance - governmental funds	\$ 3,421,689
\$ 688,444	Capital assets net of depreciation used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	11,042,161
355,337	Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	21,601
437,215	Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(7,883)
2,320,518	Long-term liabilities and related deferred outflows and inflows of resources, including bonds payable, financed purchases, leases, compensated absences, and net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(8,081,821)
22,085	Net position of the governmental activities	<u>\$ 6,395,747</u>
71,622		
24,510		
454		
10,012		
<u>\$ 3,930,197</u>		
\$ 22,085		
27,520		
340,002		
2,291		
95,009		
486,907		
21,601		
10,012		
160,000		
24,093		
329,961		
75,000		
104,186		
79,395		
75,348		
179,328		
353,379		
2,030,987		
3,421,689		
<u>\$ 3,930,197</u>		

HAXTUN SCHOOL DISTRICT RE-2J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Other Governmental Funds
Revenues				
Local sources	\$ 1,447,347	\$ 266,743	\$ 109,721	\$ 366,208
Intermediate sources	464			
State sources	3,482,024			95,793
Federal sources	283,026			94,754
Total revenues	5,212,861	266,743	109,721	556,755
Expenditures				
Instruction	2,717,611			326,934
Supporting services	1,763,292			231,131
Capital outlay			176,672	
Debt service				
Principal	9,787	161,160	212,955	
Interest and fiscal charges		88,787	22,805	
Total expenditures	4,490,690	249,947	412,432	558,065
Excess of revenues over (under) expenditures	722,171	16,796	(302,711)	(1,310)
Other financing sources (uses)				
Lease proceeds	68,511			
Transfers in			701,000	4,508
Transfers out	(705,508)			
Total other financing sources (uses)	(636,997)	-	701,000	4,508
Net change in fund balances	85,174	16,796	398,289	3,198
Fund balance at beginning of year	2,205,254	313,165	30,090	369,723
Fund balance at end of year	<u>\$ 2,290,428</u>	<u>\$ 329,961</u>	<u>\$ 428,379</u>	<u>\$ 372,921</u>

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

Total Governmental Funds	Amounts reported for governmental activities in the statement of activities are different because:	
	Net change in fund balances - governmental funds	\$ 503,457
\$ 2,190,019	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. This is the amount by which depreciation exceeded capital outlays in the current period.	(165,924)
464		
3,577,817	Because some property taxes and other revenues will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, reported as deferred tax and unearned revenues. They are, however, recorded as revenues in the statement of activities.	1,936
377,780		
6,146,080	In the statement of activities, certain operating expenses - accrued compensated absences and accrued interest payable - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(47,962)
3,044,545	Governmental funds report pension and OPEB contributions as expenditures. However, in the statement of activities, service costs, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pension and OPEB are reported as expense.	(60,545)
1,994,423	The issuance of long-term debt provides current financial resources in the governmental funds, however, issuing debt increases long-term liabilities in the statement of net position.	(68,511)
176,672	Repayment of principal on general obligation bonds, leases and financed purchases are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	383,902
383,902		
111,592	Change in net position of governmental activities	\$ 546,353
5,711,134		
434,946		
68,511		
705,508		
(705,508)		
68,511		
503,457		
2,918,232		
\$ 3,421,689		

HAXTUN SCHOOL DISTRICT RE-2J

Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Haxtun School District RE-2J's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The Haxtun School District RE-2J is a school district governed by an elected seven-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, risk-related transactions, debt service, scholarships, and pupil activities.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest, and other fiscal charges.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

The following are the District’s nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District’s food service operations.

Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

Scholarship Fund – This fund is a special revenue fund used to account for the financial transactions related to the administration of scholarships that are awarded to students.

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end, except for state and federal grant revenues, which are considered available if collection is expected within six months of year end.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year's budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.7 – Inventories

Food Service Fund – purchased inventories are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture's assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	0-25 years
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	5-10 years

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Compensated absence benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated sick leave benefits are paid to employees upon termination of employment.

Employees receive ten days personal leave each school year which may be accumulated to a limit of forty (40) days. At the end of the budget year, the District will compensate the employee for any temporary leave accrued in excess of the forty-day limit, paid at the current base teacher substitute rate. Upon termination of employment for reasons other than retirement, an employee shall be paid for a maximum of 12 days of accrued temporary leave not taken based upon the current base teacher substitute rate of pay. When an employee retires, they are paid for a maximum of 20 days at the substitute rate of pay.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that it will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.11 – Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably of the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District recognizes payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and the leases are not included as lease liabilities or right-to-use lease assets in the statement of net position.

A.12 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.13 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position is available.

A.14 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.15 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$1,211,471, of which \$250,000 was insured and \$961,471 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note B – Cash and investments (Continued)

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2024, the District had invested \$1,213,401 in COLOTRUST PLUS+ and \$1,107,117 in COLOTRUST PRIME, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At year-end, the District had investments in Colotrust (a local government investment pool), which are maintained in the General Fund and the Capital Reserve Capital Projects Fund.

		<u>Investment maturities (in years)</u>		
<u>Investment type</u>	<u>Fair value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	<u>\$ 2,320,518</u>	<u>\$ 2,320,518</u>	<u>\$ -</u>	<u>\$ -</u>

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 rates.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colotrust was rated AAAM by Standard and Poor’s.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 71,622
Grants receivable	24,510
Other receivables	<u>454</u>
Total	<u>\$ 96,586</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. The Counties of Logan, Phillips, Yuma and Sedgwick bill and collect property taxes for all taxing entities within the Counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General fund	\$ 22,085	\$ -
Bond redemption fund	-	12,067
Other governmental funds	<u>-</u>	<u>10,018</u>
Total	<u>\$ 22,085</u>	<u>\$ 22,085</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ -	\$ 705,508
Capital reserve capital projects fund	701,000	-
Other governmental funds	<u>4,508</u>	<u>-</u>
Total	<u>\$ 705,508</u>	<u>\$ 705,508</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note D – Interfund transactions (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of \$701,000 from the General Fund to the Capital Reserve Capital Projects Fund in order to set aside funds for capital acquisitions. The District all transferred \$4,508 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District’s food service operations.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 111,556	\$ -	\$ -	\$ 111,556
Construction in progress	<u>140,627</u>	<u>124,611</u>	<u>(265,238)</u>	<u>-</u>
Total capital assets, not being depreciated	252,183	124,611	(265,238)	111,556
Capital assets, being depreciated:				
Land improvements	83,575	-	81,992	165,567
Buildings and improvements	14,052,021	-	183,246	14,235,267
Furniture and equipment	574,308	28,195	-	602,503
Leased equipment	-	68,511	-	68,511
Licensed vehicles	<u>799,900</u>	<u>-</u>	<u>(112,950)</u>	<u>686,950</u>
Total capital assets, being depreciated	<u>15,509,804</u>	<u>96,706</u>	<u>152,288</u>	<u>15,758,798</u>
Total capital assets	15,761,987	221,317	(112,950)	15,870,354
Less accumulated depreciation for:				
Land improvements	(24,776)	(7,582)	-	(32,358)
Buildings and improvements	(3,738,458)	(282,880)	-	(4,021,338)
Furniture and equipment	(254,803)	(41,861)	-	(296,664)
Leased equipment	-	(11,962)	-	(11,962)
Licensed vehicles	<u>(535,865)</u>	<u>(42,956)</u>	<u>112,950</u>	<u>(465,871)</u>
Total accumulated depreciation	<u>(4,553,902)</u>	<u>(387,241)</u>	<u>112,950</u>	<u>(4,828,193)</u>
Governmental activities capital assets, net	<u>\$ 11,208,085</u>	<u>\$ (165,924)</u>	<u>\$ -</u>	<u>\$ 11,042,161</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note E – Capital assets (Continued)

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Instruction	\$ 38,636
Operations and maintenance	5,865
Student transportation	42,956
Food service operations	13,779
Unallocated	<u>286,005</u>
 Total	 <u>\$ 387,241</u>

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$340,002. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balances</u>	<u>Due within</u> <u>one year</u>
Governmental activities					
Compensated absences	\$ 4,955	\$ 48,794*	\$ -	\$ 53,749	\$ -
Financed purchases	834,626	-	(212,955)	621,671	123,525
Bonds payable	2,194,745	-	(161,160)	2,033,585	167,910
Lease payable	<u>-</u>	<u>68,511</u>	<u>(9,787)</u>	<u>58,724</u>	<u>13,050</u>
 Total	 <u>\$ 3,034,326</u>	 <u>\$ 117,305</u>	 <u>\$ (383,902)</u>	 <u>\$ 2,767,729</u>	 <u>\$ 304,485</u>

*The change in the compensated absences liability is presented as a net change.

Payments on the bonds are made in the Bond Redemption Fund, while payments on the financed purchases will be made in the Capital Reserve Capital Projects Fund. Payments on the lease payable will be made in the General Fund.

The District believes that the current portion of compensated absences is negligible and is therefore not reported.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note G – Long-term debt (Continued)

Financed purchases

Facility renovation obligation – In September 2018, the District entered into an agreement with All American Investment Group, LLC in the amount of \$1,515,463, to finance the costs of building renovations, which serve as collateral for the agreement. The agreement called for a term of ten years with annual renewal options. The debt was refinanced in March 2022 to reduce the interest rate from 4.02% to 2.97%. Quarterly payments ranging from \$33,147 to \$58,940 are due in September, December, March and June of each year, with a final payment due in fiscal year 2029.

The agreement contains a provision that, in the event of default and with or without terminating the contract, the obligee may (a) declare all contract payments to the end of the then-current budget year to be immediately due, (b) require the District—at the District’s expense—to deliver the equipment to the obligee within 15 days after default, or allow the obligee to take possession of the equipment at the District’s expense, subject to the availability of lawfully budgeted and appropriated funds (the District shall still be obligated to pay the remaining contract payments due up until the end of the then-current term, and is liable for any damage to the equipment), and (c) take whatever action at law or in equity that may appear necessary, with the District being responsible for all reasonable costs, including reasonable attorney fees.

Bonds Payable

\$3,385,862 general obligation bonds, dated November 20, 2013, due in annual installments beginning in fiscal year 2013 ranging from \$114,430 to \$242,900; fixed annual interest rate of 4.18% payable semi-annually on June 1st and December 1st.

Total general obligation bonds \$ 2,033,585

The following schedule represents the District’s debt service requirements to maturity for its financed purchases and bonds payable at year-end:

<u>Year Ending December 31,</u>	<u>Financed Purchases</u>		<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 123,525	\$ 17,335	\$ 167,910	\$ 81,647
2026	127,327	13,573	174,941	74,468
2027	132,141	9,685	182,267	66,988
2028	136,151	5,675	189,900	59,196
2029	102,527	1,532	197,853	51,076
2030-2034	-	-	1,120,714	121,182
Totals	<u>\$ 621,671</u>	<u>\$ 47,800</u>	<u>\$ 2,033,585</u>	<u>\$ 454,557</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note G – Long-term debt (Continued)

Lease payable

\$68,511 has been recorded as an intangible right to use lease in the Governmental Activities capital assets. Due to the implementation of GASB Statement No. 87, this lease for two copy machines met the criteria of a lease; thus, requiring it to be recorded by the District. This asset will be amortized over the lease term of 63 months since it is shorter than the useful life and the District is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The lease will end in fiscal year 2029. A summary of the principal amounts for the remaining lease is as follows:

<u>Year ended June 30,</u>	<u>Principal</u>
2025	\$ 13,050
2026	13,050
2027	13,050
2028	13,050
2029	<u>6,524</u>
Total	<u>\$ 58,724</u>

Note H – 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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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. Section 24-51-602, 604, 1713, and 1714.

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

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and also 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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of 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 <u>June 30, 2024</u>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>5.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>20.38%</u></u>

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$469,538 for the year ended June 30, 2024.

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

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

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

At year end, the District reported a liability of \$5,958,368 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 5,958,368
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>130,649</u>
Total	<u>\$ 6,089,017</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

At December 31, 2023, the District’s proportion was 0.0337%, which was an increase of 0.0052% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$581,265 and revenue of \$9,954 for support from the State as a nonemployer contributing entity. At year-end, 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	\$ 281,616	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	174,430	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	553,099	418,011
Contributions subsequent to the measurement date	<u>242,301</u>	<u>-</u>
Total	<u>\$ 1,251,446</u>	<u>\$ 418,011</u>

\$242,301 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30, ___</u>	<u>Amount</u>
2025	\$ (64,525)
2026	371,156
2027	403,597
2028	<u>(119,094)</u>
Totals	<u>\$ 591,134</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

Actuarial assumptions. The total pension liability 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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (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:

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million 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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

- 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 projections test.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 7,967,330	\$ 5,958,368	\$ 4,283,138

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.

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note I – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$29,645 for the PERAPlus 401(k) Plan.

Note J – 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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

PERA Benefit Structure

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

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

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

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

Contributions. Pursuant to Title 24, Article 51, 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 \$23,500 for the year ended June 30, 2024.

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

At year-end, the District reported a liability of \$143,869 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 used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

At December 31, 2023, the District's proportion was 0.0202%, which was a decrease of 0.0015% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(5,499). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 31,865
Changes of assumptions or other inputs	1,879	16,431
Net difference between projected and actual earnings on OPEB plan investments	5,038	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,071	19,109
Contributions subsequent to the measurement date	<u>12,127</u>	<u>-</u>
Total	<u>\$ 22,115</u>	<u>\$ 67,405</u>

\$12,127 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ (21,406)
2026	(12,551)
2027	(6,714)
2028	(10,432)
2029	(4,664)
2030	<u>(1,650)</u>
Total	<u>\$ (57,417)</u>

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs for the 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	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums ¹	3.50% in 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

¹ UnitedHealthcare MAPD PPO plans are 0% for 2023.

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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 total OPEB liability 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 School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 139,740	\$ 143,869	\$ 148,361

¹For the January 1, 2024, plan year.

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions 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.
- 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.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	<u>\$ 169,928</u>	<u>\$ 143,869</u>	<u>\$ 121,576</u>

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 7, 1995, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$160,000 for the emergency reserve.

HAXTUN SCHOOL DISTRICT RE-2J
Notes to Financial Statements

Note M – Joint venture

The District participates in the Northeast Colorado Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES:

- is financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District,
- has a separate management which is responsible for the day to day operations and is accountable to the separate board,
- governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts,
- hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The District has one member on the board. This board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the Northeast Colorado Board of Educational Services are available by contacting their administrative office in Haxtun, Colorado.

For the year, the District's financial contribution was \$104,497.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District’s Proportionate Share of the Net Pension Liability – PERA’s School Division Trust Fund
- Schedule of District Contributions – PERA’s School Division Trust Fund
- Schedule of the District’s Proportionate Share of the Net OPEB Liability – PERA’s Health Care Trust Fund
- Schedule of District Contributions – PERA’s Health Care Trust Fund

HAXTUN SCHOOL DISTRICT RE-2J
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 1,166,404	\$ 1,332,419	\$ 1,447,347	\$ 114,928
Intermediate sources	150	464	464	-
State sources	3,410,387	3,325,172	3,482,024	156,852
Federal sources	153,837	247,501	283,026	35,525
Total revenues	4,730,778	4,905,556	5,212,861	307,305
Expenditures				
Instruction	2,648,600	2,674,254	2,717,611	(43,357)
Supporting services	1,535,359	1,761,817	1,763,292	(1,475)
Debt service				
Principal			9,787	(9,787)
Appropriated reserves	2,789,278	1,933,737		1,933,737
Total expenditures	6,973,237	6,369,808	4,490,690	1,879,118
Excess of revenues over (under) expenditures	(2,242,459)	(1,464,252)	722,171	2,186,423
Other financing sources (uses)				
Lease proceeds			68,511	68,511
Transfers out	(327,800)	(590,000)	(705,508)	(115,508)
Total other financing sources (uses)	(327,800)	(590,000)	(636,997)	(46,997)
Net change in fund balance	\$ (2,570,259)	\$ (2,054,252)	85,174	\$ 2,139,426
Fund balance at beginning of year			2,205,254	
Fund balance at end of year			\$ 2,290,428	

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HAXTUN SCHOOL DISTRICT RE-2J
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA's School Division Trust Fund
June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
District's proportion of the net pension liability	0.0337%	0.0285%	0.0343%	0.0385%
District's proportionate share of the net pension liability	\$ 5,958,368	\$ 5,192,870	\$ 3,994,009	\$ 5,815,379
State's proportionate share of the net pension liability	<u>130,649</u>	<u>1,513,255</u>	<u>457,862</u>	<u>-</u>
Total	<u>\$ 6,089,017</u>	<u>\$ 6,706,125</u>	<u>\$ 4,451,871</u>	<u>\$ 5,815,379</u>
District's covered payroll	\$ 2,227,500	\$ 2,200,688	\$ 2,114,924	\$ 2,057,540
District's proportionate share of the net pension liability as a percentage of its covered payroll	267.49%	235.97%	188.85%	282.64%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
0.0334%	0.0335%	0.0385%	0.0395%	0.0399%	0.0391%
\$ 4,989,445	\$ 5,930,192	\$ 12,444,436	\$ 11,767,892	\$ 6,097,849	\$ 5,296,382
<u>632,848</u>	<u>810,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,622,293</u>	<u>\$ 6,741,063</u>	<u>\$ 12,444,436</u>	<u>\$ 11,767,892</u>	<u>\$ 6,097,849</u>	<u>\$ 5,296,382</u>
\$ 1,961,954	\$ 1,841,156	\$ 1,775,233	\$ 1,773,918	\$ 1,737,529	\$ 1,637,088
254.31%	322.09%	701.00%	663.38%	350.95%	323.52%
64.52%	57.01%	43.96%	43.10%	59.20%	62.84%

HAXTUN SCHOOL DISTRICT RE-2J
Schedule of District Contributions
PERA's School Division Trust Fund
June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Contractually required contribution	\$ 469,538	\$ 443,585	\$ 444,959	\$ 409,641
Contributions in relation to the contractually required contribution	<u>(469,538)</u>	<u>(443,585)</u>	<u>(444,959)</u>	<u>(409,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,303,912	\$ 2,176,565	\$ 2,238,219	\$ 2,060,564
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 401,607	\$ 354,202	\$ 339,870	\$ 326,815	\$ 311,474	\$ 285,555
<u>(401,607)</u>	<u>(354,202)</u>	<u>(339,870)</u>	<u>(326,815)</u>	<u>(311,474)</u>	<u>(285,555)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,072,401	\$ 1,851,552	\$ 1,799,635	\$ 1,777,937	\$ 1,756,177	\$ 1,690,240
19.38%	19.13%	18.89%	18.38%	17.74%	16.89%

HAXTUN SCHOOL DISTRICT RE-2J
Schedule of the District's Proportionate Share of the Net OPEB Liability¹
PERA's Health Care Trust Fund
June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
District's proportion of the net OPEB liability	0.0202%	0.0217%	0.0224%	0.0222%
District's proportionate share of the net OPEB liability	\$ 143,869	\$ 177,067	\$ 193,231	\$ 211,423
District's covered payroll	\$ 2,227,500	\$ 2,200,688	\$ 2,144,924	\$ 2,057,540
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.46%	8.05%	9.01%	10.28%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
0.0218%	0.0218%	0.0219%	0.0225%
\$ 245,255	\$ 296,177	\$ 284,178	\$ 291,280
\$ 1,961,954	\$ 1,841,156	\$ 1,775,233	\$ 1,773,918
12.50%	16.09%	16.01%	16.42%
24.49%	17.03%	17.53%	16.72%

HAXTUN SCHOOL DISTRICT RE-2J
Schedule of District Contributions¹
PERA's Health Care Trust Fund
June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Contractually required contribution	\$ 23,500	\$ 22,201	\$ 22,830	\$ 21,018
Contributions in relation to the contractually required contribution	<u>(23,500)</u>	<u>(22,201)</u>	<u>(22,830)</u>	<u>(21,018)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,303,912	\$ 2,176,565	\$ 2,238,219	\$ 2,060,564
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
\$ 21,138	\$ 18,886	\$ 18,356	\$ 18,135
<u>(21,138)</u>	<u>(18,886)</u>	<u>(18,356)</u>	<u>(18,135)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,072,401	\$ 1,851,552	\$ 1,799,635	\$ 1,777,937
1.02%	1.02%	1.02%	1.02%

HAXTUN SCHOOL DISTRICT RE-2J
Notes to the Required Supplementary Information

Note A – Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools 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.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
8. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

HAXTUN SCHOOL DISTRICT RE-2J
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 961,015	\$ 1,110,000	\$ 1,128,194	\$ 18,194
Specific ownership taxes	130,339	104,000	159,725	55,725
Delinquent taxes and interest	2,000	2,000	2,205	205
Earnings on investments	30,000	65,000	88,379	23,379
Pupil activities and fees	38,050	45,220	57,536	12,316
Other local revenue	5,000	6,199	11,308	5,109
Total local sources	1,166,404	1,332,419	1,447,347	114,928
Intermediate sources	150	464	464	-
State sources				
Equalization	2,886,321	2,925,948	2,925,947	(1)
Transportation	30,000	36,379	40,092	3,713
English language proficiency	1,100	1,100		(1,100)
State grants to libraries	4,500	4,500	4,500	-
Small rural schools funding	107,457	123,838	123,839	1
Additional at-risk funding			1,208	1,208
READ act	9,950	6,448	6,448	-
MOE hold harmless			24,510	24,510
State match for mill levy override	98,848	10,000	94,068	84,068
Revenue from other agencies	179,566	117,024	137,354	20,330
On-behalf payment			9,954	9,954
Services within the BOCES	92,645	99,935	114,104	14,169
Total state sources	3,410,387	3,325,172	3,482,024	156,852
Federal sources				
ESSER II curricula materials		12,750	12,750	-
Summer EBT			800	800
IDEA-D improvement grant	20,000	20,000	29,405	9,405
Revenue from other agencies		12,121	12,122	1
REAP	30,000	34,734	34,734	-
Services within the BOCES	103,837	167,896	193,215	25,319
Total federal sources	153,837	247,501	283,026	35,525
Total revenues	\$ 4,730,778	\$ 4,905,556	\$ 5,212,861	\$ 307,305

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HAXTUN SCHOOL DISTRICT RE-2J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Instruction				
Salaries	\$ 1,679,657	\$ 1,602,417	\$ 1,620,046	\$ (17,629)
Employee benefits	609,898	571,606	575,810	(4,204)
Purchased services	243,200	377,842	332,790	45,052
Supplies and materials	115,845	122,389	120,454	1,935
Property			68,511	(68,511)
Total instruction	2,648,600	2,674,254	2,717,611	(43,357)
Supporting services				
Students				
Salaries	57,243	73,793	74,993	(1,200)
Employee benefits	21,768	25,550	24,260	1,290
Purchased services		8,700	8,700	-
Supplies and materials		30,678	40,645	(9,967)
Total students	79,011	138,721	148,598	(9,877)
Instructional staff				
Salaries	58,715	62,945	77,585	(14,640)
Employee benefits	11,131	14,383	16,682	(2,299)
Purchased services	34,037	61,820	46,905	14,915
Supplies and materials	36,112	75,101	87,295	(12,194)
Total instructional staff	139,995	214,249	228,467	(14,218)
General administration				
Salaries	120,227	120,227	127,179	(6,952)
Employee benefits	45,506	45,506	47,894	(2,388)
Purchased services	43,900	42,571	46,950	(4,379)
Supplies and materials	10,200	10,200	10,712	(512)
Other	7,000	8,100	8,182	(82)
Total general administration	226,833	226,604	240,917	(14,313)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	227,834	229,635	219,593	10,042
Employee benefits	91,790	92,191	93,988	(1,797)
Purchased services	2,600	12,088	10,173	1,915
Supplies and materials	1,000	1,000	55	945
Other		719	1,214	(495)
Total school administration	323,224	335,633	325,023	10,610
Business services				
Salaries	55,761	63,261	58,893	4,368
Employee benefits	21,429	23,142	21,690	1,452
Purchased services	17,000	16,500	19,681	(3,181)
Supplies and materials	4,000	4,500	4,195	305
Total business services	98,190	107,403	104,459	2,944
Operations and maintenance				
Salaries	120,000	135,000	122,897	12,103
Employee benefits	50,796	54,291	43,670	10,621
Purchased services	81,000	90,589	86,274	4,315
Supplies and materials	150,000	160,000	171,629	(11,629)
Property	3,000	3,000		3,000
Total operations and maintenance	404,796	442,880	424,470	18,410
Student transportation				
Salaries	95,500	106,297	100,829	5,468
Employee benefits	24,510	26,977	25,686	1,291
Purchased services	56,500	74,727	78,895	(4,168)
Supplies and materials	41,000	37,000	35,836	1,164
Total student transportation	217,510	245,001	241,246	3,755

(continued)

HAXTUN SCHOOL DISTRICT RE-2J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2024

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Purchased services	38,300	43,221	41,511	1,710
Supplies and materials	7,500	7,000	8,601	(1,601)
Total central support services	45,800	50,221	50,112	109
Food service operations				
Salaries		900		900
Employee benefits		205		205
Total food service operations	-	1,105	-	1,105
Total supporting services	1,535,359	1,761,817	1,763,292	(1,475)
Debt service				
Principal retirement			9,787	(9,787)
Total debt service	-	-	9,787	(9,787)
Appropriated reserves	2,789,278	1,933,737		1,933,737
Total expenditures	<u>\$ 6,973,237</u>	<u>\$ 6,369,808</u>	<u>\$ 4,490,690</u>	<u>\$ 1,879,118</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to record financial transactions related to the District’s food service operations.
- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.
- Scholarship Fund – This fund is used to account for the financial transactions related to the administration of scholarships that are awarded to students.

HAXTUN SCHOOL DISTRICT RE-2J
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2024

	Food Service Fund	Pupil Activity Fund	Scholarship Fund	Totals
Assets				
Cash	\$ 117,406	\$ 179,328	\$ 19,379	\$ 316,113
Certificates of deposit			60,016	60,016
Other receivables	454			454
Inventory	10,012			10,012
Total assets	\$ 127,872	\$ 179,328	\$ 79,395	\$ 386,595
Liabilities				
Due to other funds	\$ 10,018			\$ 10,018
Accounts payable	1,365			1,365
Unearned revenue	2,291			2,291
Total liabilities	13,674	\$ -	\$ -	13,674
Fund balance				
Nonspendable inventory	10,012			10,012
Restricted for:				
Food service operations	104,186			104,186
Scholarships			79,395	79,395
Committed to:				
Pupil activities		179,328		179,328
Total fund balance	114,198	179,328	79,395	372,921
Total liabilities and fund balance	\$ 127,872	\$ 179,328	\$ 79,395	\$ 386,595

HAXTUN SCHOOL DISTRICT RE-2J
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2024

	Food Service Fund	Pupil Activity Fund	Scholarship Fund	Totals
Revenues				
Local sources	\$ 23,314	\$ 332,245	\$ 10,649	\$ 366,208
State sources	95,793			95,793
Federal sources	94,754			94,754
Total revenues	213,861	332,245	10,649	556,755
Expenditures				
Instruction		314,884	12,050	326,934
Supporting services	231,131			231,131
Total expenditures	231,131	314,884	12,050	558,065
Excess of revenues over (under) expenditures	(17,270)	17,361	(1,401)	(1,310)
Other financing sources				
Transfers in	4,508			4,508
Net change in fund balance	(12,762)	17,361	(1,401)	3,198
Fund balance at beginning of year	126,960	161,967	80,796	369,723
Fund balance at end of year	<u>\$ 114,198</u>	<u>\$ 179,328</u>	<u>\$ 79,395</u>	<u>\$ 372,921</u>

HAXTUN SCHOOL DISTRICT RE-2J
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 36,000	\$ 19,644	\$ 23,314	\$ 3,670
State sources	990	2,498	95,793	93,295
Federal sources	120,837	120,595	94,754	(25,841)
Total revenues	157,827	142,737	213,861	71,124
Expenditures				
Supporting services				
Salaries		15,000	13,751	1,249
Employee benefits		3,427		3,427
Purchased services	130,959	99,000	91,771	7,229
Supplies and materials	90,000	135,000	84,162	50,838
Property			41,447	(41,447)
Appropriated reserves		17,270		17,270
Total expenditures	220,959	269,697	231,131	38,566
Excess of revenues over (under) expenditures	(63,132)	(126,960)	(17,270)	109,690
Other financing sources				
Transfers in			4,508	4,508
Net change in fund balance	\$ (63,132)	\$ (126,960)	(12,762)	\$ 114,198
Fund balance at beginning of year			126,960	
Fund balance at end of year			\$ 114,198	

HAXTUN SCHOOL DISTRICT RE-2J
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 350,000	\$ 388,000	\$ 332,245	\$ (55,755)
Expenditures				
Instruction				
Purchased services	212,000	229,000	182,985	46,015
Supplies and materials	138,000	159,000	131,899	27,101
Appropriated reserves	59,932	161,966		161,966
Total expenditures	409,932	549,966	314,884	235,082
Net change in fund balance	\$ (59,932)	\$ (161,966)	17,361	\$ 179,327
Fund balance at beginning of year			161,967	
Fund balance at end of year			\$ 179,328	

HAXTUN SCHOOL DISTRICT RE-2J
Scholarship Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 12,950	\$ 12,900	\$ 10,649	\$ (2,251)
Expenditures				
Instruction				
Scholarship payments	12,550	11,900	12,050	(150)
Appropriated reserves	80,422	81,795		81,795
Total expenditures	92,972	93,695	12,050	81,645
Net change in fund balance	\$ (80,022)	\$ (80,795)	(1,401)	\$ 79,394
Fund balance at beginning of year			80,796	
Fund balance at end of year			\$ 79,395	

Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

Debt Service Fund – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – This fund is used to account for the revenues from specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal changes.

HAXTUN SCHOOL DISTRICT RE-2J
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 262,244	\$ 262,244	\$ 253,440	\$ (8,804)
Delinquent taxes and interest			581	581
Earnings on investments	4,000	10,000	12,722	2,722
Total revenues	266,244	272,244	266,743	(5,501)
Expenditures				
Debt service				
Principal	161,160	161,160	161,160	-
Interest and fiscal charges	91,912	92,162	88,787	3,375
Appropriated reserves	306,246	332,086		332,086
Total expenditures	559,318	585,408	249,947	335,461
Net change in fund balance	\$ (293,074)	\$ (313,164)	16,796	\$ 329,960
Fund balance at beginning of year			313,165	
Fund balance at end of year			\$ 329,961	

Budgetary Comparison Schedule - Capital Projects Funds

The District reports the following major capital projects fund:

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Capital Reserve Capital Projects Fund – This fund is fund used to account for and report financial resources that have been designated for capital outlays, acquisition, or construction of major capital facilities and other capital assets.

HAXTUN SCHOOL DISTRICT RE-2J
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 5,000	\$ 6,000	\$ 109,721	\$ 103,721
Expenditures				
Capital outlay				
Property	93,000	361,328	176,672	184,656
Debt service				
Principal	198,928	198,928	212,955	(14,027)
Interest and fiscal charges	35,663	35,663	22,805	12,858
Appropriated reserves	16,904	30,170		30,170
Total expenditures	344,495	626,089	412,432	213,657
Excess of revenues over (under) expenditures	(339,495)	(620,089)	(302,711)	317,378
Other financing sources				
Transfers in	327,800	590,000	701,000	111,000
Net change in fund balance	<u>\$ (11,695)</u>	<u>\$ (30,089)</u>	398,289	<u>\$ 428,378</u>
Fund balance at beginning of year			<u>30,090</u>	
Fund balance at end of year			<u>\$ 428,379</u>	

**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.



Colorado Department of Education
Auditors Integrity Report
 District: 2630 - Haxtun RE-2J
 Fiscal Year 2023-24
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	2,142,534		4,473,555		4,401,010		2,215,080
18 Risk Mgmt Sub-Fund of General Fund	62,720		102,309		89,680		75,348
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	2,205,254		4,575,864		4,490,690		2,290,428
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	80,796		10,650		12,050		79,395
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	126,960		218,369		231,131		114,198
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	161,967		332,245		314,884		179,328
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	313,165		266,744		249,947		329,961
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	30,090		810,721		412,432		428,379
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	2,918,231		6,214,593		5,711,134		3,421,691
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34/Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL