



**WILEY SCHOOL DISTRICT RE-13JT
WILEY, COLORADO**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

WILEY SCHOOL DISTRICT RE-13JT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Wiley School District RE-13JT
Wiley, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wiley School District RE-13JT (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter

As described in Note 11 to the financial statements, as of and for the year ended June 30, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

DMC Auditing and Consulting, LLC

February 17, 2026
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of the **Wiley School District RE-13JT's** annual financial report presents management's discussion and analysis of the district's financial performance during the fiscal year ending on June 30, 2024. Please read it in context and conjunction with the information presented that is furnished in the financial statements audited by DMC Auditing and Consulting, LLC located in Bailey Colorado.

The financial statements reflect the status of the **governmental funds** that include the General Fund (10) which accounts for all financial resources except for those legally required to be accounted for separately; Designated Purpose Grant Fund (22) accounts for all the federal grant funded programs in the district; Capital Reserve Capital Project Fund (43) accounts for capital expenditures financed through transfers; and finally Nonmajor Governmental Funds (21) accounting for the food service program that supports the district utilizing funding received from state and federal grant awards and the pupil activity fund used to manage the District's resources for student activities.

Financial Highlights:

- The liabilities and deferred inflows of Wiley School District RE-13 JT exceeded its assets and deferred outflows at the close of June 30, 2024, by \$2,515,977 (total net position) as reported in the government-wide financial statements. The district's total net position is directly impacted by the adoption of GASB 68 and the Net Pension Liability of PERA totaling \$5,674,218 and GASB 75 the Net OPEB Liability totaling \$137,009.
- The district's government-wide total net position increased by \$362,291, including a prior year correction in the amount of (\$3,494), from the prior fiscal year bringing the 2023-24 Net Position total to \$2,515,977. This is largely due to the changes made by PERA for fiscal year 2024 in the recognition of net pension liability and net OPEB liability. At the end of the fiscal year, the district does not hold amounts due as it had the year before.

- Expenses from governmental activities were offset by program specific charges, and grants and contributions of \$1,169,421. General revenues from property taxes and specific ownership taxes were \$415,004 and state equalization amounted to \$3,303,204.
- The General Fund reported a fund balance of \$2,268,302 at the close of the June 30, 2024 fiscal year. This amount was restated from the prior year in the amount of -12,661. The District strives to follow a balanced budget which both meets the needs of the students and provides a sound and stable foundation for the District.

Government-wide Statements

The financial statements are designated to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities.

The two government-wide statements report the District's assets and liabilities and how they have changed. Net position, the difference between the District's assets, liabilities and deferred flows are one indicator of the district's financial health. Over time, increases or decreases in the District's net position measures whether the financial health is improving or deteriorating. Readers need to consider additional non-financial factors in rating the district overall such as changes in the district's tax base, student enrollment and overall condition of the facilities.

The government-wide financial statements of the district include the Governmental activities. The district's basic services are included within, such as instruction, supporting services, food service, and capital outlay. The statements also indicate that funding for these services come primarily from state equalization, property tax and grant sources.

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of accounts designed to keep control over resources segregated for specific activities or objectives. The Wiley School District, like other governments, uses fund accounting to guarantee and prove compliance. Beginning with the 2015 fiscal year, the Food Service Fund was changed from a proprietary (enterprise) fund to a special revenue fund, therefore; all District funds now fall under the governmental funds category.

Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances (resources available to spend at the end of the fiscal year). Such information is used to evaluate the district's short-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the district's near-term financial decisions.

Notes to the Basic Financial Statements

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

Required Supplementary Information

The district adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the required supplementary information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of the report.

Statement of Net Position

	Governmental Activities 2023-2024	Governmental Activities 2022-2023	Change YOY (Decrease)
<u>Assets</u>			
Current and other	4,085,176	4,034,695	50,481
Capital assets	2,976,987	2,432,847	544,140
Total Assets	7,062,163	6,467,542	594,621
Deferred Outflow Resources			
Pensions and OPEB	1,832,642	1,060,825	771,817
Total Deferred Outflow Resources	1,832,642	1,060,825	771,817
<u>Liabilities</u>			
Current	379,602	504,393	(124,791)
Long term	52,628	21,534	31,094
Net Pension Liability	5,674,218	4,367,061	1,307,157
Net OPEB Liability	137,009	148,768	(11,759)
Total Liabilities	6,243,457	5,041,756	1,201,701
Deferred Inflow of Resources			
Pensions and OPEB	135,371	283,391	(148,020)
Total Deferred Inflow of Resources	135,371	283,391	(148,020)
<u>Net Position</u>			
Net Investment in Capital Assets	2,976,987	2,432,847	544,140
Restricted for Emergencies	199,185	120,000	79,185
Preschool	-	24,675	(24,675)
Food Service	-	71,946	(71,946)
Unrestricted	(660,195)	(446,248)	(213,947)
Total Net Assets	2,515,977	2,203,220	312,757

Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Wiley School District, current assets exceed current liabilities by \$2,515,977 at the close of business June 30, 2024. However, inclusion of the Net Pension Liability for PERA and the OPEB Plan has negatively affected the district's financial position. A better indicator of financial health for the 2023-2024 fiscal year may be the total change in net position.

Changes in Net Position

	Governmental Total 2023-2024	Governmental Total 2022-2023	Change Increase (Decrease)
<u>Revenues</u>			
Property Taxes	368,288	378,645	(10,357)
Specific Ownership Taxes	46,716	48,268	(1,552)
Equalization	3,303,204	2,901,452	401,752
Charges for Services	207,328	66,005	141,323
Grants & Contributions	962,093	925,837	36,256
Earnings on Investments	40,746	17,201	23,545
Other Revenues	39,109	71,808	(32,699)
Insurance Proceeds	1,047,474	299,072	748,402
Total Revenues	6,014,958	4,708,288	1,306,670
<u>Expenses</u>			
Instructional Services	3,323,613	2,660,120	663,493
Supporting Services	2,121,672	1,842,499	279,173
Food Service	253,422	251,759	1,663
Total Expenses	5,698,707	4,754,378	944,329
Increase (Decrease) Net Position	316,251	(46,090)	362,341

Next Year's Budget

The budget for the 2024-2025 school year will be impacted by increased health insurance premiums, a stagnant local economy as well as continued reductions in state and federal funding. The Administration is confident that the budget development process and the adoption of the budget amendment in January is a good reflection of the district's anticipated revenues and expenditures. The district remains in state compliance with posting the Uniform Budget Summary once adopted to the financial transparency area on the district's website.

Request for Information

This financial report is designed to demonstrate accountability and provide the District's citizens, taxpayers, customers, and creditors a general overview of the District's finances. Questions or comments concerning this report may be directed to the district office in care of Erin Brophy, Superintendent of Schools, P.O. Box 247, Wiley, CO 81092 or Telephone (719) 829-4806.



BASIC FINANCIAL STATEMENTS

WILEY SCHOOL DISTRICT RE-13JT
STATEMENT OF NET POSITION
June 30, 2024

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 3,947,118
Grants Receivable	95,613
Taxes Receivable	37,955
Inventories	4,490
Capital Assets, <i>Not Being Depreciated</i>	35,936
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>2,941,051</u>
TOTAL ASSETS	<u>7,062,163</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	1,785,001
OPEB, <i>Net of Accumulated Amortization</i>	<u>47,641</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,832,642</u>
LIABILITIES	
Accounts Payable	48,016
Accrued Salaries and Benefits	329,357
Unearned Revenue	2,229
Noncurrent Liabilities	
Due Within One Year	52,628
Net Pension Liability	5,674,218
Net OPEB Liability	<u>137,009</u>
TOTAL LIABILITIES	<u>6,243,457</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	92,486
OPEB, <i>Net of Accumulated Amortization</i>	<u>42,885</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>135,371</u>
NET POSITION	
Net Investment in Capital Assets	2,976,987
Restricted for Emergencies	166,000
Restricted for Emergencies	33,185
Unrestricted	<u>(660,195)</u>
TOTAL NET POSITION	<u><u>\$ 2,515,977</u></u>

WILEY SCHOOL DISTRICT RE-13JT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 3,323,613	\$ 20,026	\$ 337,491	\$ (2,966,096)
Supporting Services	2,121,672	170,062	432,756	(1,518,854)
Food Services	<u>253,422</u>	<u>17,240</u>	<u>191,846</u>	<u>(44,336)</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u>\$ 5,698,707</u>	 <u>\$ 207,328</u>	 <u>\$ 962,093</u>	 <u>(4,529,286)</u>
 GENERAL REVENUES				
				368,288
				46,716
				3,303,204
				50
				40,746
				1,047,474
				<u>39,059</u>
				 4,845,537
				 316,251
				2,203,220
				<u>(3,494)</u>
				 2,199,726
				 <u>\$ 2,515,977</u>

WILEY SCHOOL DISTRICT RE-13JT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL	CAPITAL PROJECTS	GRANTS
ASSETS			
Cash and Investments	\$ 2,550,225	\$ 1,234,049	\$ -
Grants Receivable	6,444	-	89,169
Taxes Receivable	37,955	-	-
Interfund Receivable	72,257	-	-
Inventories	-	-	-
	<u>2,666,881</u>	<u>1,234,049</u>	<u>89,169</u>
TOTAL ASSETS	\$ 2,666,881	\$ 1,234,049	\$ 89,169
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 38,595	\$ -	\$ 8,364
Accrued Salaries and Benefits	299,703	-	9,810
Interfund Payable	34,033	-	70,995
Unearned Revenue	2,229	-	-
	<u>374,560</u>	<u>-</u>	<u>89,169</u>
TOTAL LIABILITIES	374,560	-	89,169
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	24,019	-	-
	<u>24,019</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Inventories	-	-	-
Restricted for:			
Emergencies	166,000	-	-
Food Services	-	-	-
Assigned to:			
Student Activities	-	-	-
Capital Projects	-	1,234,049	-
Unassigned	2,102,302	-	-
	<u>2,268,302</u>	<u>1,234,049</u>	<u>-</u>
TOTAL FUND BALANCES	2,268,302	1,234,049	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,666,881	\$ 1,234,049	\$ 89,169

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
\$	162,844	\$ 3,947,118
	-	95,613
	-	37,955
	34,033	106,290
	4,490	4,490
	<u>201,367</u>	<u>4,191,466</u>
	<u><u>201,367</u></u>	<u><u>4,191,466</u></u>
\$	1,057	\$ 48,016
	19,844	329,357
	1,262	106,290
	-	2,229
	<u>22,163</u>	<u>485,892</u>
	-	24,019
	4,490	4,490
	-	166,000
	33,185	33,185
	141,529	141,529
	-	1,234,049
	-	2,102,302
	<u>179,204</u>	<u>3,681,555</u>
\$	<u>201,367</u>	\$ <u>4,191,466</u>

WILEY SCHOOL DISTRICT RE-13JT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total Fund Balances of Governmental Funds	\$	3,681,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,976,987
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		24,019
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Compensated Absences		(52,628)
Net Pension Liability		(5,674,218)
Pension-Related Deferred Outflows of Resources		1,785,001
Pension-Related Deferred Inflows of Resources		(92,486)
Net OPEB Liability		(137,009)
OPEB-Related Deferred Outflows of Resources		47,641
OPEB-Related Deferred Inflows of Resources		(42,885)
		(42,885)
Total Net Position of Governmental Activities	\$	2,515,977

WILEY SCHOOL DISTRICT RE-13JT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL	CAPITAL PROJECTS	GRANTS
REVENUES			
Local Sources	\$ 486,900	\$ -	\$ -
County Sources	50	-	-
State Sources	3,885,360	-	4,498
Federal Sources	76,469	-	109,819
	<u>4,448,779</u>	<u>-</u>	<u>114,317</u>
TOTAL REVENUES			
	<u>4,448,779</u>	<u>-</u>	<u>114,317</u>
EXPENDITURES			
Current			
Instruction	2,578,338	-	82,285
Supporting Services	1,857,580	-	15,237
Food Services	-	-	-
Capital Outlay	34,749	757,717	16,795
	<u>4,470,667</u>	<u>757,717</u>	<u>114,317</u>
TOTAL EXPENDITURES			
	<u>4,470,667</u>	<u>757,717</u>	<u>114,317</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(21,888)</u>	<u>(757,717)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	63,813	983,661	-
Transfers In		650,000	-
Transfers Out	(755,000)	-	-
	<u>(691,187)</u>	<u>1,633,661</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
	<u>(691,187)</u>	<u>1,633,661</u>	<u>-</u>
CHANGES IN FUND BALANCES	(713,075)	875,944	-
FUND BALANCES, Beginning, as Originally Stated	2,994,038	358,105	-
Restatement - Correction of an Error	(12,661)	-	-
	<u>2,981,377</u>	<u>358,105</u>	<u>-</u>
FUND BALANCES, Beginning, as Restated			
	<u>2,981,377</u>	<u>358,105</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 2,268,302</u>	<u>\$ 1,234,049</u>	<u>\$ -</u>

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
\$	193,104	\$ 680,004
	-	50
	75,089	3,964,947
	114,062	300,350
	<u>382,255</u>	<u>4,945,351</u>
	226,937	2,887,560
	-	1,872,817
	237,616	237,616
	28,938	838,199
	<u>493,491</u>	<u>5,836,192</u>
	(111,236)	(890,841)
	-	1,047,474
	105,000	755,000
	-	(755,000)
	<u>105,000</u>	<u>1,047,474</u>
	(6,236)	156,633
	176,273	3,528,416
	9,167	(3,494)
	<u>185,440</u>	<u>3,524,922</u>
\$	<u>179,204</u>	\$ <u>3,681,555</u>

WILEY SCHOOL DISTRICT RE-13JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

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

Net Change in Fund Balances of Governmental Funds	\$	156,633
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation expense		(203,154)
Capital outlay		747,294
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		
		22,133
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Compensated Absences		(31,094)
Net Pension Liability		(1,307,157)
Pension-Related Deferred Outflows of Resources		771,953
Pension-Related Deferred Inflows of Resources		136,954
Net OPEB Liability		11,759
OPEB-Related Deferred Outflows of Resources		(136)
OPEB-Related Deferred Inflows of Resources		11,066
		11,066
Change in Net Position of Governmental Activities	\$	316,251

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Wiley School District RE-13JT (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The *Grants Fund* is used to account for the activities of the District's federally-funded grants.

The *Capital Projects Fund* is used to account for the capital projects of the District.

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)
Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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

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

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

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

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

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

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

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

Buildings and Improvements	10 - 50 years
Vehicles	8 years
Equipment	5 - 15 years

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

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

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

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

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

Compensated Absences – Twelve-month and nine-month personnel accrue 10 days of annual leave each year. Staff can accumulate up to 20 days of leave at any time. Unused annual leave and related benefits are paid upon termination at the employee’s daily rate. These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Property Taxes

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

NOTE 2: Cash and Investments

At June 30, 2024, the District had the following cash and investments:

Cash and Investments Footnote:

Deposits	\$ 3,564,741
Investments	<u>382,377</u>
Total	<u>\$ 3,947,118</u>

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of \$3,343,213 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Local Government Investment Pool – At June 30, 2024, the School had \$382,377 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at \$1. The Pool is rated AAAM by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements – At June 30, 2024, the District's investments in the local government investment pool are reported at the net asset value per share.

Interest Rate Risk – State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk – State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

NOTE 3: Interfund Transfers

During the fiscal year ended June 30, 2024, the General Fund transferred \$15,000 to the Food Service Fund to subsidize food service operations, \$90,000 to the Pupil Activity Fund to subsidize student activities, and \$650,000 to the Capital Projects Fund to finance capital-related acquisition and purchases.

At June 30, 2024, the General Fund temporarily subsidized \$72,257 and \$34,033 to the Grants Fund and the Food Service Fund, respectively, due to timing of expenditure payments and grant reimbursements. The Pupil Activity Fund owed \$1,262 to the General Fund due to timing of expenditure payments. All balances were paid after year end.

NOTE 4: Capital Assets

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

	Balances, 6/30/2023	Additions	Deletions	Balances 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land and Water Rights	\$ 35,936	\$ -	\$ -	\$ 35,936
Construction in Progress	27,978	-	27,978	-
Total Capital Assets, Not Being Depreciated	63,914	-	27,978	35,936
Capital Assets, Being Depreciated:				
Buildings	5,545,773	26,270	-	5,572,043
Site Improvements	647,251	535,212	15,000	1,167,463
Vehicles	652,062	206,290	122,131	736,221
Equipment	251,797	7,500	31,238	228,059
Food Service	88,729	-	14,018	74,711
Total Capital Assets, Being Depreciated	7,185,612	775,272	182,387	7,778,497
Less Accumulated Depreciation:				
Buildings	(3,618,231)	(92,392)	-	(3,710,623)
Site Improvements	(486,158)	(50,256)	(15,000)	(521,414)
Vehicles	(505,810)	(38,511)	(122,131)	(422,190)
Equipment	(122,307)	(21,235)	(31,238)	(112,304)
Food Service	(84,173)	(760)	(14,018)	(70,915)
Total Accumulated Depreciation	(4,816,679)	(203,154)	(182,387)	(4,837,446)
Capital Assets, Being Depreciated, Net	2,368,933	572,118	-	2,941,051
Capital Assets, Governmental Activities, Net	\$ 2,432,847	\$ 572,118	\$ 27,978	\$ 2,976,987

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

Instruction	\$ 157,807
Supporting Services	44,587
Food Service	760
Total	<u>\$ 203,154</u>

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 5: Long-Term Debt

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

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 21,534	\$ 31,094	\$ -	\$ 52,628	\$ 52,628

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

NOTE 6: Risk Management

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

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

NOTE 7: Defined Benefit Pension Plan

General Information

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

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

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

Contributions provisions as of June 30, 2024 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2023, through June 30, 2024. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2024, were \$476,017, equal to the required contributions.

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

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

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

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

At December 31, 2023, the District's proportion was 0.0320877826%, which was an increase of 0.0081054126% from its proportion measured at December 31, 2022.

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

District's proportionate share of the net pension liability	\$ 5,674,218
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>124,419</u>
Total	<u>\$ 5,798,637</u>

For the year ended June 30, 2024, the District recognized pension expense of \$880,043 and a revenue of (\$9,479) for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269,064	\$ -
Net difference between projected and actual earnings on plan investments	406,753	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	865,924	92,486
Contributions subsequent to the measurement date	<u>243,260</u>	<u>-</u>
Total	<u>\$ 1,785,001</u>	<u>\$ 92,486</u>

District contributions subsequent to the measurement date of \$243,260 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2025	\$ 419,313
2026	640,814
2027	502,542
2028	<u>(113,414)</u>
Total	<u>\$ 1,449,255</u>

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following 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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

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

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Proportionate share of the net pension liability	\$ 7,587,373	\$ 5,674,218	\$ 4,078,878

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

NOTE 8: Postemployment Healthcare Benefits

General Information

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

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District’s contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District’s apportionment to the HCTF for the year ended June 30, 2024, was \$21,637, equal to the required amount.

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

At June 30, 2024, the District reported a net OPEB liability of \$137,009, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers.

At December 31, 2023, the District’s proportion was 0.0191963692%, which was an increase of 0.0009756636% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,681. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,081
Changes of assumptions and other inputs	1,610	14,527
Net difference between projected and actual earnings on plan investments	4,237	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	29,619	277
Contributions subsequent to the measurement date	12,175	-
Total	\$ 47,641	\$ 42,885

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

District contributions subsequent to the measurement date of \$12,175 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ (9,833)
2026	(1,732)
2027	3,875
2028	(753)
2029	648
2030	376
Total	<u>\$ (7,419)</u>

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

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:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, the plan options include 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

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

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

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

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

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2023 plan year.

The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status from actuary's claims data warehouse. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

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:

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 133,077	\$ 137,009	\$ 141,287

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	\$ 161,825	\$ 137,009	\$ 115,779

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

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 9: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

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

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1997. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$166,000.

Litigation

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

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the Santa Fe Trail Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed \$64,093 to the BOCES. Separate financial statements for the BOCES are available at 405 Santa Fe Avenue, La Junta, Colorado 81050, or online at www.sftboces.org.

NOTE 11: Restatement – Correction of an Error

The District identified a correction of an error to the net position and fund balance for the General Fund and Food Service Fund for the prior fiscal year ended June 30, 2023. This was required in order to correct net position, fund balance and grants receivable for the fiscal year ended June 30, 2023, in the following amounts:

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 11: Restatement – Correction of an Error (Continued)

	General Fund	Food Service Fund	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 2,994,038	\$ 73,671	\$ 3,528,416	\$ 2,203,220
Grants Revenue	(12,661)	9,167	(3,494)	(3,494)
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 2,981,377</u>	<u>\$ 82,838</u>	<u>\$ 3,524,922</u>	<u>\$ 2,199,726</u>

REQUIRED SUPPLEMENTARY INFORMATION

WILEY SCHOOL DISTRICT RE-13JT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Property Taxes	\$ 351,763	\$ 346,155	\$ (5,608)
Specific Ownership Taxes	41,437	46,716	5,279
Investment Income	94,056	34,944	(59,112)
Miscellaneous	76,837	59,085	(17,752)
County Sources	60	50	(10)
State Grants	3,534,945	3,885,360	350,415
Federal Grants	20,000	76,469	56,469
TOTAL REVENUES	4,119,098	4,448,779	329,681
EXPENDITURES			
Current			
Instruction	2,395,143	2,578,338	(183,195)
Supporting Services			
Student Support	250,772	281,533	(30,761)
General Administration	549,064	537,859	11,205
Operations and Maintenance	586,566	792,840	(206,274)
Student Transportation	152,909	162,310	(9,401)
Central Support	101,848	83,038	18,810
Total Supporting Services	1,641,159	1,857,580	(216,421)
Capital Outlay	106,713	34,749	71,964
Contingency	2,960,677	-	2,960,677
TOTAL EXPENDITURES	7,103,692	4,470,667	2,633,025
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,984,594)	(21,888)	2,962,706
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	63,813	63,813
Transfers Out	(105,000)	(755,000)	650,000
TOTAL OTHER FINANCING SOURCES (USES)	(105,000)	(691,187)	(586,187)
CHANGE IN FUND BALANCE	(3,089,594)	(713,075)	2,376,519
FUND BALANCE, Beginning, as Originally Stated	2,966,171	2,994,038	27,867
Restatement - Correction of an Error	-	(12,661)	(12,661)
FUND BALANCE, Beginning, as Restated	2,966,171	2,981,377	15,206
FUND BALANCE, Ending	\$ (123,423)	\$ 2,268,302	\$ 2,391,725

WILEY SCHOOL DISTRICT RE-13JT
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
State Grants	\$ 4,000	\$ 4,498	\$ 498
Federal Grants	155,530	109,819	(45,711)
TOTAL REVENUES	159,530	114,317	(45,213)
EXPENDITURES			
Current			
Instruction	98,021	82,285	15,736
Supporting Services	-	15,237	
Capital Outlay	17,715	16,795	920
TOTAL EXPENDITURES	115,736	114,317	16,656
CHANGE IN FUND BALANCE	43,794	-	(43,794)
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ 43,794	\$ -	\$ (43,794)

WILEY SCHOOL DISTRICT RE-13JT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0320877826%	0.0239823700%	0.0250605765%	0.0266531115%
District's Proportionate Share of the Net Pension Liability	\$ 5,674,218	\$ 2,916,391	\$ 4,029,413	\$ 3,501,487
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>124,419</u>	<u>334,327</u>	<u>-</u>	<u>444,118</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 5,798,637</u>	<u>\$ 3,250,718</u>	<u>\$ 4,029,413</u>	<u>\$ 3,945,605</u>
District's Covered Payroll	\$ 2,121,292	\$ 1,735,942	\$ 1,492,637	\$ 1,409,173
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267%	168%	270%	248%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	62%	75%	67%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 476,017	\$ 380,770	\$ 345,106	\$ 296,737
Contributions in Relation to the Statutorily Required Contribution	<u>(476,017)</u>	<u>(380,770)</u>	<u>(345,106)</u>	<u>(296,737)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,335,702	\$ 1,868,348	\$ 1,735,942	\$ 1,492,637
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
0.0234373374%	0.0237160054%	0.0279821887%	0.0277317053%	0.0283151141%	0.0295696622%
\$ 4,199,406	\$ 9,048,445	\$ 8,256,801	\$ 4,330,597	\$ 4,007,683	\$ 3,833,977
<u>574,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,773,616</u>	<u>\$ 9,048,445</u>	<u>\$ 8,256,801</u>	<u>\$ 4,330,597</u>	<u>\$ 4,007,683</u>	<u>\$ 3,833,977</u>
\$ 1,323,538	\$ 1,301,171	\$ 1,277,921	\$ 1,270,584	\$ 1,244,953	\$ 1,215,372
317%	695%	646%	341%	322%	315%
65%	57%	44%	43%	59%	63%
<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
\$ 273,099	\$ 253,194	\$ 245,649	\$ 234,875	\$ 216,362	\$ 210,106
<u>(273,099)</u>	<u>(253,194)</u>	<u>(245,649)</u>	<u>(234,875)</u>	<u>(216,362)</u>	<u>(210,106)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,409,173	\$ 1,323,538	\$ 1,301,171	\$ 1,277,921	\$ 1,220,584	\$ 1,244,953
19.38%	19.13%	18.88%	18.38%	17.73%	16.88%

WILEY SCHOOL DISTRICT RE-13JT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0191963692%	0.0182207056%	0.0163626365%	0.0154110034%
District's Proportionate Share of the Net OPEB Liability	\$ 137,009	\$ 131,603	\$ 128,149	\$ 138,963
District's Covered Payroll	\$ 2,121,292	\$ 1,735,942	\$ 1,492,637	\$ 1,409,173
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6%	8%	9%	10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46%	39%	39%	33%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 23,824	\$ 19,090	\$ 17,707	\$ 15,224
Contributions in Relation to the Statutorily Required Contribution	<u>(23,824)</u>	<u>(19,090)</u>	<u>(17,707)</u>	<u>(15,224)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,335,702	\$ 1,868,348	\$ 1,735,942	\$ 1,492,637
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
Information will be presented for the years it is available.

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0153149664%	0.0154155201%	0.0158993730%
\$ 229,258	\$ 236,322	\$ 262,146
\$ 1,323,538	\$ 1,301,171	\$ 1,277,921
17%	18%	21%
24%	17%	18%
<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 14,373	\$ 13,499	\$ 13,272
<u>(14,373)</u>	<u>(13,499)</u>	<u>(13,272)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 1,409,173	\$ 1,323,538	\$ 1,301,171
1.02%	1.02%	1.02%

WILEY SCHOOL DISTRICT RE-13JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

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

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

Compliance and Accountability

At June 30, 2024, the District's Pupil Activity Fund actual expenditures exceeded budgeted expenditures in the amount of \$12,426. In addition, the District's audited financial statements were not completed in a timely manner based on state statutes. These may be violations of state statutes.

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

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

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

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

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

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

WILEY SCHOOL DISTRICT RE-13JT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	FOOD SERVICE	PUPIL ACTIVITY	TOTAL
ASSETS			
Cash and Investments	\$ 19,129	\$ 143,715	\$ 162,844
Grants Receivable	-	-	-
Interfund Receivables	34,033	-	34,033
Inventory	4,490	-	4,490
 TOTAL ASSETS	 \$ 57,652	 \$ 143,715	 \$ 201,367
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 133	\$ 924	\$ 1,057
Accrued Salaries and Benefits	19,844	-	19,844
Interfund Payable	-	1,262	1,262
 TOTAL LIABILITIES	 19,977	 2,186	 22,163
 FUND BALANCES			
Nonspendable Inventory	4,490	-	4,490
Restricted for Food Service	33,185	-	33,185
Assigned to Pupil Activities	-	141,529	141,529
 TOTAL FUND BALANCES	 37,675	 141,529	 179,204
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 57,652	 \$ 143,715	 \$ 201,367

WILEY SCHOOL DISTRICT RE-13JT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	<u>FOOD SERVICE</u>	<u>PUPIL ACTIVITY</u>	<u>TOTAL</u>
REVENUES			
Local Sources	\$ 17,240	\$ 175,864	\$ 193,104
State Sources	75,089	-	75,089
Federal Sources	114,062	-	114,062
	<u>206,391</u>	<u>175,864</u>	<u>382,255</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Instruction	-	226,937	226,937
Supporting Services	-	-	-
Food Services	237,616	-	237,616
Capital Outlay	28,938	-	28,938
	<u>266,554</u>	<u>226,937</u>	<u>493,491</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,163)</u>	<u>(51,073)</u>	<u>(111,236)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	15,000	90,000	105,000
	<u>15,000</u>	<u>90,000</u>	<u>105,000</u>
CHANGES IN FUND BALANCES	(45,163)	38,927	(6,236)
FUND BALANCES, Beginning, as Originally Stated	73,671	102,602	176,273
Restatement - Correction of an Error	9,167	-	9,167
	<u>82,838</u>	<u>102,602</u>	<u>185,440</u>
FUND BALANCES, Beginning, as Restated			
FUND BALANCES, Ending	<u>\$ 37,675</u>	<u>\$ 141,529</u>	<u>\$ 179,204</u>

WILEY SCHOOL DISTRICT RE-13JT
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources	\$ 26,040	\$ 17,240	\$ (8,800)
State Grants	51,000	75,089	24,089
Federal Grants	136,655	114,062	(22,593)
TOTAL REVENUES	213,695	206,391	(7,304)
EXPENDITURES			
Food Service			
Salaries	89,375	92,255	(2,880)
Benefits	27,698	30,186	(2,488)
Purchased Services	6,500	3,601	2,899
Supplies and Materials	94,850	111,574	(16,724)
Contingency	33,456	-	33,456
Capital Outlay	20,000	28,938	(8,938)
TOTAL EXPENDITURES	271,879	266,554	5,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,184)	(60,163)	(1,979)
OTHER FINANCING SOURCES			
Transfers In	15,000	15,000	-
CHANGE IN FUND BALANCE	(43,184)	(45,163)	(1,979)
FUND BALANCE, Beginning, as Originally Stated	43,184	73,671	30,487
Restatement - Correction of an Error	-	9,167	9,167
FUND BALANCE, Beginning, as Restated	43,184	82,838	39,654
FUND BALANCE, Ending	\$ -	\$ 37,675	\$ 37,675

WILEY SCHOOL DISTRICT RE-13JT
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources	\$ 14,830	\$ 175,864	\$ 161,034
EXPENDITURES			
Current			
Instruction	106,500	226,937	(120,437)
Contingency	108,011	-	108,011
TOTAL EXPENDITURES	<u>214,511</u>	<u>226,937</u>	<u>(12,426)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(199,681)</u>	<u>(51,073)</u>	<u>148,608</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>90,000</u>	<u>90,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(109,681)	38,927	148,608
FUND BALANCE, Beginning	<u>106,341</u>	<u>102,602</u>	<u>(3,739)</u>
FUND BALANCE, Ending	<u>\$ (3,340)</u>	<u>\$ 141,529</u>	<u>\$ 144,869</u>

WILEY SCHOOL DISTRICT RE-13JT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources	\$ 390,783	\$ -	\$ (390,783)
EXPENDITURES			
Contingency	100,783	-	100,783
Capital Outlay	<u>1,292,783</u>	<u>757,717</u>	<u>535,066</u>
TOTAL EXPENDITURES	<u>1,393,566</u>	<u>757,717</u>	<u>635,849</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,002,783)</u>	<u>(757,717)</u>	<u>245,066</u>
OTHER FINANCING SOURCES			
Insurance Proceeds	-	983,661	983,661
Transfers In	<u>-</u>	<u>650,000</u>	<u>650,000</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>1,633,661</u>	<u>1,633,661</u>
CHANGE IN FUND BALANCE	(1,002,783)	875,944	1,878,727
FUND BALANCE, Beginning	<u>902,000</u>	<u>358,105</u>	<u>(543,895)</u>
FUND BALANCE, Ending	<u>\$ (100,783)</u>	<u>\$ 1,234,049</u>	<u>\$ 1,334,832</u>