

TELLURIDE SCHOOL DISTRICT R-1
TELLURIDE, COLORADO

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

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Board of Education
Telluride School District R-1
Telluride, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Telluride School District No. R-1 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Telluride School District No. R-1 as of June 30, 2024, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Telluride School District No. R-1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Telluride School District No. R-1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension disclosure information, listed as "required supplementary information" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Telluride School District No. R-1's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "supplementary information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Supplementary Information - continued

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is not a required part of the District's financial statements. Such information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2025, on our consideration of the Telluride School District No. R-1's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Telluride School District No. R-1's internal control over financial reporting and on compliance.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
February 7, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Telluride School District R-1 is a public school district located in San Miguel County in southwest Colorado. The District consists of Telluride Elementary, Intermediate, and Middle/High School. The District is a political subdivision of the State of Colorado, and serves the towns of Telluride, Mountain Village, Ophir, Sawpit and portions of unincorporated San Miguel County.

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

FINANCIAL HIGHLIGHTS

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

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2024, the District's share of the PERA net pension liability is approximately \$26 million and the District's share of the PERA HCTF net OPEB liability is \$634 thousand. Fund level financial statements are not impacted by GASB 68 and GASB 75 reporting for PERA and PERA HCTF liabilities.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$14.9 million.
- The District's total net position of governmental activities increased by \$1.4 million, which is a contrast to its increase in fund balance on a governmental fund basis of \$33.3 million, primarily due to the impacts of GASB Statements No. 68 and No. 75 and fund level recognition of Bond proceeds of \$36.3 million. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 17 and a discussion of the differences between the two accounting methodologies is discussed below.

USING THE BASIC FINANCIAL STATEMENTS

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

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

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

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

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

The focus of these government-wide financial statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District, and its component units.

The two statements report the District's net position and changes therein. This change is important because it identifies whether the financial condition of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

The School District's activities as reflected on the Statement of Net Position and the Statement of Activities consist of the following:

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

The District currently has no Business-type activities, which are those provided on a charge for goods or services basis to recover all expenses of the goods and services provided.

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

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. Fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and (3) fiduciary funds.

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

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

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

Pupil Activity Fund – The Pupil Activity Fund is a special revenue fund which accounts for student athletic/nonathletic activities with revenue sources raised specifically from such activities

Transportation Fund – The Transportation Fund is a special revenue fund which accounts for transportation operations funded primarily by property taxes and other State operating grants.

Affordable Housing Fund – The Affordable Housing Fund is a special revenue fund which accounts for housing units the District holds for employee housing needs.

Palm Theatre Fund – The Palm Theatre Fund is a special revenue fund which accounts for contributed revenue to the theatre and certain expenditures for operations of the theatre.

Debt Service Fund – The Debt Service Fund accounts for property tax collections and transactions related to the District's indebtedness.

Building Fund – The Building Fund accounts for the District's General Obligation Improvement Bonds Series 2021B and the District's General Obligation Bonds Series 2024 that have been issued to finance the costs of improving, repairing and making additions to school buildings, equipping or furnishing school buildings, improving school grounds, or acquiring, constructing or improving capital assets for District purposes.

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

NOTES TO THE FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY & SUPPLEMENTARY INFORMATION

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

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the current compared to the prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Total	
	2024	Restated 2023	2024	Restated 2023
<u>ASSETS:</u>				
Current and Other Assets	\$ 47,226	\$ 13,443	\$ 47,226	\$ 13,443
Capital Assets, Net	<u>51,362</u>	<u>48,024</u>	<u>51,362</u>	<u>48,024</u>
	<u>98,588</u>	<u>61,467</u>	<u>98,588</u>	<u>61,467</u>
<u>DEFERRED OUTFLOWS:</u>				
Related to Pensions	7,762	5,771	7,762	5,771
Related to OPEBs	<u>122</u>	<u>167</u>	<u>122</u>	<u>167</u>
	<u>7,884</u>	<u>5,938</u>	<u>7,884</u>	<u>5,938</u>
<u>LIABILITIES:</u>				
Current & Other Liabilities	7,503	4,630	7,503	4,630
Long-term Liabilities	54,225	22,207	54,225	22,207
Net Pension Liability	26,239	21,347	26,239	21,347
Net OPEB Liability	<u>634</u>	<u>727</u>	<u>634</u>	<u>727</u>
	<u>88,601</u>	<u>48,911</u>	<u>88,601</u>	<u>48,911</u>
<u>DEFERRED INFLOWS:</u>				
Deferred Gain on Refunding	938	955	938	955
Related to Pensions	1,788	3,770	1,788	3,770
Related to OPEBs	<u>235</u>	<u>302</u>	<u>235</u>	<u>302</u>
	<u>2,961</u>	<u>5,027</u>	<u>2,961</u>	<u>5,027</u>
<u>NET POSITION:</u>				
Invested in Capital Assets, Net of Related Debt	25,601	26,191	25,601	26,191
Restricted	32,548	3,723	32,548	3,723
Unrestricted	<u>(43,239)</u>	<u>(16,447)</u>	<u>(43,239)</u>	<u>(16,447)</u>
	<u>\$ 14,910</u>	<u>\$ 13,467</u>	<u>\$ 14,910</u>	<u>\$ 13,467</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts set aside by management to satisfy debt service requirements, finance future purchases and pay for capital projects as planned by the District. The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The negative unrestricted net position balance merely represents that there are *long-term* obligations, including Pensions and OPEB, in excess of *currently* available resources.

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

THE DISTRICT AS A WHOLE -- CONTINUED

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

<i>(In Thousands)</i>	Governmental		Total	
	Activities			
	2024	Restated 2023	2024	Restated 2023
<u>REVENUES:</u>				
Program Revenues:				
Charges for Services & Sales	\$ 857	\$ 1,108	\$ 857	\$ 1,108
Operating Grants & Contributions	2,281	3,169	2,281	3,169
Capital Grants and Contributions	764	737	764	737
Total Program Revenues	3,902	5,014	3,902	5,014
General Revenues:				
Property & Ownership Taxes	17,255	12,695	17,255	12,695
Grants and Entitlements	3,143	4,458	3,143	4,458
Accretion of Bond Premium	226	219	226	219
Interest & Investment Earnings	910	392	910	392
Other General Revenues	165	688	165	688
Total General Revenues	21,699	18,452	21,699	18,452
Total Revenues	25,601	23,466	25,601	23,466
<u>PROGRAM EXPENSES:</u>				
Instruction	12,617	11,302	12,617	11,302
Support Services:				
Students	1,481	1,501	1,481	1,501
Instructional Staff	2,155	2,025	2,155	2,025
General Administration	557	616	557	616
School Administration	933	870	933	870
Business Support Services	380	377	380	377
Operations and Maintenance	2,007	1,707	2,007	1,707
Student Transportation	432	341	432	341
Central Support Services	492	474	492	474
Food Services	458	426	458	426
Colorado Preschool	-	156	-	156
Community Services	460	394	460	394
Facilities Acquisition	53	295	53	295
Unallocated PERA Actuarial Adj.	919	63	919	63
Unallocated PERA OPEB Adj.	(116)	(90)	(116)	(90)
Interest and Fiscal Charges	1,328	529	1,328	529
Total Expenses	24,158	20,986	24,158	20,986
Increase (Decrease) in Net Position	\$ 1,443	\$ 2,480	\$ 1,443	\$ 2,480

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2024, the net position of the District's governmental activities increased by approximately \$1.4 million primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities.

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

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

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

<i>(In Thousands)</i>	Fiscal Year 2024		Restated Fiscal Year 2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,617	\$ 11,086	\$ 11,302	\$ 9,256
Support Services:				
Students	1,481	1,210	1,501	1,125
Instructional Staff	2,155	1,686	2,025	1,537
General Administration	557	556	616	603
School Administration	933	930	870	839
Business Support Services	380	301	377	276
Operations and Maintenance	2,007	1,448	1,707	1,089
Student Transportation	432	401	341	297
Central Support Services	492	471	474	417
Food Services	458	137	426	152
Colorado Preschool	-	-	156	156
Community Services	460	275	394	165
Facilities Acquisition/Construction	53	(375)	295	(442)
Unallocated PERA Adjustment	919	919	63	63
Unallocated PERA OPEB Adjustment	(116)	(116)	(90)	(90)
Interest and Fiscal Charges	1,328	1,328	529	529
Total Expenses	\$ 24,158	\$ 20,257	\$ 20,986	\$ 15,972

The dependence on general revenues for governmental activities is apparent, whereas approximately 88% and 82% of instruction activities were supported through taxes and other general revenues in 2024 and 2023, respectively. The community as a whole is the primary support for District students.

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

THE DISTRICT'S FUNDS

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

Governmental Funds –

The *General Fund* had an overall increase in fund balance of \$263,624. The ending fund balance of \$5,734,788 is the amount available for future spending.

The *Food Service Fund* had an overall decrease in fund balance of \$16,404. The ending fund balance of \$60,428 is the amount available for future spending.

The *Pupil Activity Fund* had an overall decrease in fund balance of \$3,442. The ending fund balance of \$3,418 is the amount available for future spending.

The *Transportation Fund* had an overall decrease in fund balance of \$54,591. The ending fund balance of \$23,292 is the amount available for future spending.

The *Affordable Housing Fund* had an overall decrease in fund balance of \$35,629. The ending fund balance of \$15,860 is the amount available for future spending.

The *Palm Theatre Fund* had an overall change in fund balance of \$0. The ending fund balance of \$25,076 is the amount available for future spending.

The *Debt Service Fund* had an overall increase in fund balance of \$1,734,503. The ending fund balance of \$4,733,050 is the amount available for future spending.

The *Building Fund* had an overall increase in fund balance of \$31,427,388 as the result of the District's issuance of General Obligation Bonds Series 2024 to be used for capital assets and improvements. The ending fund balance of \$31,513,058 is the amount available for future spending.

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

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(F)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year, the District amended its budget as needed.

For the General Fund, actual revenues and other financing sources in the amount of \$18,923,456 did not meet budgetary expectations of \$19,296,317 by \$372,861 primarily due to PERA-on-behalf state revenues which are beyond the control of management.

The District's General Fund actual expenditures and other financing uses of \$18,659,832 were \$1,132,585 less than budgeted expenditures and other financing uses of \$19,792,417. The major differences between the District's budgeted amounts and actual expenditures were primarily in salaries, benefits (including PERA-on-behalf state expenditures) and purchased services which fluctuate based on available federal and state grant funding and the District's ability to fill open positions.

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

CAPITAL ASSETS

At the end of fiscal year 2024, the District had a total of \$51,361,701 invested in capital assets for *governmental activities*. Additional information on the District's capital assets can be found in *Note 4* of the financial statements.

The following reflects the balances of fiscal year 2024 compared to fiscal year 2023 (as restated):

<i>(In Thousands)</i>	Governmental Activities	
	2024	2023
<i>Net of Depreciation:</i>		
Land	\$ 1,277	\$ 1,277
Construction in Progress	1,016	7,517
Buildings & Improvements	43,404	37,398
Solar Array	4,229	960
Transportation and Other Equipment	1,436	829
	\$ 51,362	\$ 47,981

DEBT ADMINISTRATION

At June 30, 2024 the School District's governmental activities had: 1) outstanding certificates of participation of \$2,025,000 with a deferred premium of \$208,371; 2) outstanding general obligation bonds of \$1,025,000 with a deferred premium of \$200,137; 3) outstanding general obligation refunding bonds of \$14,865,000; 4) outstanding general obligation improvement bonds of \$1,485,000 with a deferred premium of \$265,106; 5) general obligation bonds of \$31,800,000 with a deferred premium of \$4,513,999; and 6) accrued compensated absences of \$429,915. Other long-term obligations consist of the District's proportionate share of the aforementioned PERA Net Pension Liability (see Notes 1 & 11) in the amount of \$26,239,237 and PERA HCTF Net OPEB Liability (see Notes 1 & 14) in the amount of \$633,571.

Additional information can be found in *Note 5* of the financial statements.

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

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Telluride School District R-1
Attn: Finance Director
725 West Colorado Avenue
Telluride, CO 81435

GOVERNMENT - WIDE FINANCIAL STATEMENTS

TELLURIDE SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 7,353,983
Restricted Cash and Cash Equivalents	37,175,745
Receivables:	
Property Taxes	1,097,687
Cash w/ County Treasurer	92,906
Net Present Value of Leases Receivable	241,644
Other Receivables	1,194,587
Prepaid Expense	34,189
Inventories	7,251
Capital Assets:	
Capital Assets, Non-depreciable	2,292,404
Capital Assets, Net of Depreciation	49,069,297
Right-to-use Lease Assets, Net of Amortization	28,108
TOTAL ASSETS	98,587,801
DEFERRED OUTFLOWS:	
Deferred Outflows Related to Pensions	7,761,894
Deferred Outflows Related to OPEBs	122,225
TOTAL DEFERRED OUTFLOWS	7,884,119
LIABILITIES:	
Accounts Payable	2,204,097
Retainage Payable	266,535
Accrued Salaries and Benefits	1,911,674
Accrued Interest Payable	170,417
Deposits	63,518
Unearned Revenues	266,608
Present Value of Lease Obligations, Net	27,626
Long-term Liabilities:	
Compensated Absences	429,915
Portion Due or Payable within One Year	2,592,222
Portion Due or Payable After One Year	53,795,392
Net Pension Liability	26,239,237
Net OPEB Liability	633,571
TOTAL LIABILITIES	88,600,812
DEFERRED INFLOWS:	
Deferred Gain on Refunding	938,239
Deferred Inflows Related to Pensions	1,787,683
Deferred Inflows Related to OPEBs	235,248
TOTAL DEFERRED INFLOWS	2,961,170
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	25,601,468
Restricted for:	
Debt Service	4,733,050
Transportation	23,292
Food Service	53,177
Capital Outlay	27,225,523
Emergencies	512,500
Unrestricted	(43,239,072)
TOTAL NET POSITION	\$ 14,909,938

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

TELLURIDE SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 12,616,745	\$ 500,697	\$ 1,025,829	\$ 4,418
Supporting Services:				
General Support Services:				
- Students	1,481,111	-	270,958	-
- Instructional Staff	2,155,043	-	325,398	143,800
- General Administration	557,320	-	973	-
- School Administration	932,653	-	2,552	-
Business Support Services:				
- Business Services	380,305	-	79,123	-
- Operations and Maintenance	2,007,444	338,773	32,955	187,558
Transportation	432,202	-	31,019	-
Central Support Services	492,371	-	21,789	-
Food Services	458,287	17,337	304,546	-
Community Support	460,105	-	185,435	-
Facilities Acq./Construction	52,753	-	-	428,057
Unallocated PERA Adjustment	919,131	-	-	-
Unallocated OPEB Adjustment	(115,981)	-	-	-
Interest on Long-term Debt	1,002,483	-	-	-
Other Costs of Long-term Debt	325,950	-	-	-
Total Governmental Activities	<u>24,157,922</u>	<u>856,807</u>	<u>2,280,577</u>	<u>763,833</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 24,157,922</u>	<u>\$ 856,807</u>	<u>\$ 2,280,577</u>	<u>\$ 763,833</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied For General Purposes

Property Taxes, Levied For Debt Service

Specific Ownership Taxes, for General Purposes

Grants and Entitlements Not Restricted to Specific Programs

Mineral and Forest Leasing Revenues

Unrestricted Interest and Investment Earnings

Accretion of Bond Premium

Solar Credits/Tax Credits/Other Revenues

Total General Revenues

Change in Net Position

NET POSITION—BEGINNING OF YEAR (RESTATED)

NET POSITION—END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-type Activities	Total
\$ (11,085,801)	<i>(not applicable)</i>	\$ (11,085,801)
(1,210,153)		(1,210,153)
(1,685,845)		(1,685,845)
(556,347)		(556,347)
(930,101)		(930,101)
(301,182)		(301,182)
(1,448,158)		(1,448,158)
(401,183)		(401,183)
(470,582)		(470,582)
(136,404)		(136,404)
(274,670)		(274,670)
375,304		375,304
(919,131)		(919,131)
115,981		115,981
(1,002,483)		(1,002,483)
(325,950)		(325,950)
(20,256,705)		(20,256,705)
(20,256,705)		(20,256,705)
12,838,501		12,838,501
3,856,958		3,856,958
559,292		559,292
3,142,679		3,142,679
26,553		26,553
910,141		910,141
225,878		225,878
139,359		139,359
21,699,361		21,699,361
1,442,656		1,442,656
13,467,282		13,467,282
\$ 14,909,938		\$ 14,909,938

FUND FINANCIAL STATEMENTS

TELLURIDE SCHOOL DISTRICT R-1

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Transportation Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 7,025,611	\$ 90,988	\$ 137,858	\$ 32,364
Restricted Cash and Cash Equivalents	-	-	-	-
Receivables:				
Property Taxes, Net	824,084	-	-	19,475
Cash w/ County Treasurer	71,947	-	-	1,633
Other Receivables	422,701	113	-	-
Prepaid Expense	34,189	-	-	-
Inventories	-	7,251	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 8,378,532</u></u>	<u><u>\$ 98,352</u></u>	<u><u>\$ 137,858</u></u>	<u><u>\$ 53,472</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 293,572	\$ 2,223	\$ 15,688	\$ 21,187
Accrued Salaries and Benefits	1,862,523	21,845	18,739	1,870
Deposits	33,500	-	-	-
Unearned Revenues	152,739	13,856	100,013	-
Total Liabilities	<u>2,342,334</u>	<u>37,924</u>	<u>134,440</u>	<u>23,057</u>
Deferred Inflows of Resources:				
Unavailable Property Tax Revenue	301,410	-	-	7,123
Total Deferred Inflows of Resources	<u>301,410</u>	<u>-</u>	<u>-</u>	<u>7,123</u>
Fund Balances:				
Non-spendable	34,189	7,251	-	-
Restricted				
Debt Service	-	-	-	-
Transportation	-	-	-	23,292
Food Service	-	53,177	-	-
Capital Outlay	-	-	-	-
Emergencies	512,500	-	-	-
Committed				
Pupil Activities	-	-	3,418	-
Affordable Housing	-	-	-	-
Theatre	-	-	-	-
School Finance Funding Reserves	1,148,931	-	-	-
Assigned				
Capital Outlay	-	-	-	-
Cash Flow Reserves	4,031,550	-	-	-
Unassigned	7,618	-	-	-
Total Fund Balances	<u>5,734,788</u>	<u>60,428</u>	<u>3,418</u>	<u>23,292</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 8,378,532</u></u>	<u><u>\$ 98,352</u></u>	<u><u>\$ 137,858</u></u>	<u><u>\$ 53,472</u></u>

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

Affordable Housing Fund	Palm Theatre Fund	Debt Service Fund	Building Fund	Total Governmental Funds
\$ 47,851	\$ 10,449	\$ -	\$ 8,862	\$ 7,353,983
-	-	4,552,544	32,623,201	37,175,745
-	-	254,129	-	1,097,688
-	-	19,326	-	92,906
5,269	20,515	-	745,989	1,194,587
-	-	-	-	34,189
-	-	-	-	7,251
<u>\$ 53,120</u>	<u>\$ 30,964</u>	<u>\$ 4,825,999</u>	<u>\$ 33,378,052</u>	<u>\$ 46,956,349</u>
\$ 7,242	\$ -	\$ -	\$ 1,864,185	\$ 2,204,097
-	5,888	-	809	1,911,674
30,018	-	-	-	63,518
-	-	-	-	266,608
<u>37,260</u>	<u>5,888</u>	<u>-</u>	<u>1,864,994</u>	<u>4,445,897</u>
-	-	92,949	-	401,482
-	-	92,949	-	401,482
-	-	-	-	41,440
-	-	4,733,050	-	4,733,050
-	-	-	-	23,292
-	-	-	-	53,177
-	-	-	27,225,523	27,225,523
-	-	-	-	512,500
-	-	-	-	3,418
15,860	-	-	-	15,860
-	25,076	-	-	25,076
-	-	-	-	1,148,931
-	-	-	4,287,535	4,287,535
-	-	-	-	4,031,550
-	-	-	-	7,618
<u>15,860</u>	<u>25,076</u>	<u>4,733,050</u>	<u>31,513,058</u>	<u>42,108,970</u>
<u>\$ 53,120</u>	<u>\$ 30,964</u>	<u>\$ 4,825,999</u>	<u>\$ 33,378,052</u>	<u>\$ 46,956,349</u>

TELLURIDE SCHOOL DISTRICT R-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2024

TOTAL GOVERNMENTAL FUND BALANCES \$ 42,108,970

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

The net present value of facilities leases receivable is not a current financial resource and, therefore, is not reported in the governmental funds. 241,644

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

Capital Assets	\$ 77,586,124	
Less Accumulated Depreciation	<u>(26,224,423)</u>	51,361,701

Right-of-use (ROU) Lease Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Rou Lease Assets	\$ 46,358	
Less Accumulated Amortization	<u>(18,250)</u>	28,108

Property taxes receivable that are due later than 60 days after year-end are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds. 401,481

Deferred inflows of resources related to gain on refunding are not financial resources and, therefore, are not reported in the governmental funds. (938,239)

Some liabilities, including long-term liabilities net of unamortized premiums thereon, are not currently due and payable, and, therefore, are not reported in governmental funds.

Retainage Payable	\$ (266,535)	
Accrued Interest Payable	(170,417)	
Present Value of Lease Obligations, Net	(27,626)	
Compensated Absences	(429,915)	
Current Portion of Long-term Obligations	(2,592,222)	
Long-term Obligations Payable	(53,795,392)	
Net Pension Liability	(26,239,237)	
Net OPEB Liability	(633,571)	
Deferred Outflows of Resources – Pension/OPEB	7,884,119	
Deferred Inflows of Resources – Pension/OPEB	<u>(2,022,931)</u>	<u>(78,293,727)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 14,909,938

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

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

	General Fund	Food Service Fund	Pupil Activity Fund	Transportation Fund
REVENUES:				
Local Sources	\$ 14,022,638	\$ 17,337	\$ 212,985	\$ 303,950
Intermediate Sources	3,854	-	-	-
State Sources	3,951,652	147,736	1,111	31,019
Federal Sources	945,312	156,810	-	-
Total Revenues	18,923,456	321,883	214,096	334,969
EXPENDITURES:				
Instruction	10,011,920	-	545,952	-
Supporting Services:				
Students	1,390,673	-	702	-
Instructional Staff	2,181,130	-	120,884	-
General Administration	554,433	-	-	2,887
School Administration	932,653	-	-	-
Business Services	377,805	-	-	-
Operations and Maintenance	2,041,815	-	-	-
Transportation	-	-	-	441,673
Central Services	484,403	-	-	-
Food Services	-	458,287	-	-
Community Services	-	-	-	-
Facilities Acquisition/Construction	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total Expenditures	17,974,832	458,287	667,538	444,560
Excess (Deficiency) of Revenue Over (Under) Expenditures	948,624	(136,404)	(453,442)	(109,591)
OTHER FINANCING SOURCES (USES):				
Bond Proceeds, Net of Premium	-	-	-	-
Bond Issue Costs	-	-	-	-
Transfers In	-	120,000	450,000	55,000
Transfers (Out)	(685,000)	-	-	-
Total Other Financing Sources (Uses)	(685,000)	120,000	450,000	55,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	263,624	(16,404)	(3,442)	(54,591)
FUND BALANCE – BEGINNING	5,471,164	76,832	6,860	77,883
FUND BALANCE – ENDING	\$ 5,734,788	\$ 60,428	\$ 3,418	\$ 23,292

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

Affordable Housing Fund	Palm Theatre Fund	Debt Service Fund	Building Fund	Total Governmental Funds
\$ 214,140	\$ 184,851	\$ 3,922,381	\$ 853,796	\$ 19,732,078
-	-	-	-	3,854
-	584	-	230,572	4,362,674
-	-	-	-	1,102,122
<u>214,140</u>	<u>185,435</u>	<u>3,922,381</u>	<u>1,084,368</u>	<u>25,200,728</u>
-	-	-	-	10,557,872
-	-	-	-	1,391,375
-	-	-	-	2,302,014
-	-	-	-	557,320
-	-	-	-	932,653
2,500	-	-	-	380,305
108,951	-	-	-	2,150,766
-	-	-	-	441,673
7,968	-	-	-	492,371
-	-	-	-	458,287
-	185,435	-	-	185,435
-	-	-	5,640,029	5,640,029
110,000	-	1,380,000	-	1,490,000
80,350	-	812,878	-	893,228
-	-	750	-	750
<u>309,769</u>	<u>185,435</u>	<u>2,193,628</u>	<u>5,640,029</u>	<u>27,874,078</u>
<u>(95,629)</u>	<u>-</u>	<u>1,728,753</u>	<u>(4,555,661)</u>	<u>(2,673,350)</u>
-	-	-	36,313,999	36,313,999
-	-	-	(325,200)	(325,200)
60,000	-	5,750	-	690,750
-	-	-	(5,750)	(690,750)
<u>60,000</u>	<u>-</u>	<u>5,750</u>	<u>35,983,049</u>	<u>35,988,799</u>
(35,629)	-	1,734,503	31,427,388	33,315,449
<u>51,489</u>	<u>25,076</u>	<u>2,998,547</u>	<u>85,670</u>	<u>8,793,521</u>
<u>\$ 15,860</u>	<u>\$ 25,076</u>	<u>\$ 4,733,050</u>	<u>\$ 31,513,058</u>	<u>\$ 42,108,970</u>

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

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 33,315,449

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

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year increased from the previous fiscal year: 196,171

The change in net present value of leases receivable is not reported on the governmental fund statements while on the government-wide statement of net position the changes are recognized as an adjustment to rental revenues. (22,199)

Governmental Funds report capital outlays as expenditures; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Current Period Capitalized Outlay	\$ 5,791,814	
Change in Capitalized Retainage	95,226	
Current Period Depreciation	<u>(2,411,210)</u>	3,475,830

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

Current Period Debt Proceeds	\$ (36,313,999)	
Current Period Debt Repayment	<u>1,490,000</u>	(34,823,999)

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of premium. This is the amount of accretion of premiums recognized on the current year statement of activities. 225,878

Amortization of Gain on Advance Refunding of Debt: 17,042

Some expenses reported in the Statement of Activities do not require current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Present Value ROU Lease Assets/Liabilities	\$ (127)	
Change in Accrued Interest	(126,297)	
Change in Compensated Absences	(11,942)	
Change in Net Pension Liability	(4,891,876)	
Change in Net OPEB Liability	93,098	
Change in Deferred Outflows	1,946,184	
Change in Deferred Inflows	<u>2,049,444</u>	<u>(941,516)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,442,656

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Telluride School District R-1 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). In addition, the District conforms to the Colorado Department of Education Financial Policies and Procedures Handbook in all material respect, as required by Colorado statutes. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Financial Reporting Entity

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture: Uncompahgre Valley Board of Cooperative Educational Services

The District is one of five school districts participating in the Uncompahgre Valley Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a regional education service unit created under the “Board of Cooperative Services Act of 1965” and is governed by a board consisting of representatives from each participating district.

The governing board of the UnBOCES has final authority over all funds of UnBOCES and fiscal responsibility over budgetary and reporting. As such, this joint venture does not meet the criteria for inclusion within the reporting entity. Additional information regarding the District’s participation in the joint venture is provided in *Note 9*.

C. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

The District currently considers all Funds as major Funds in segregating and reporting its overall activity.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The individual special revenue fund revenues/resources are as follows: 1) the *Food Service Fund* amounts are grants and other revenues for general food services; 2) the *Pupil Activity Fund* amounts are from fees for athletics and other student programs and activities to be used for these programs; 3) the *Transportation Fund* amounts are from designated property taxes and other local revenues; 4) the *Affordable Housing Fund* amounts are from rental revenues; and 5) the *Palm Theatre Fund* amounts are from contributions.

Debt Service Funds – The District's *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs.

Building Fund – The District's *Building Fund* is used to account for the General Obligation Bonds Series 2024 and the District's General Obligation Improvement Bonds Series 2021B (which was fully expended in fiscal year 22/23) issued to finance the costs of improving, repairing and making additions to school buildings, equipping or furnishing school buildings, improving school grounds, or acquiring, constructing or improving capital assets for District purposes.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

FUND FINANCIAL STATEMENTS

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

Like the government-wide financial statements, enterprise funds, when applicable, are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operations are included in the statement of net position. For enterprise funds a statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) therein, while a statement of cash flows reflects how the fund finances and meets the cash flow needs. The District currently has no enterprise funds.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting – (continued)

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements.

Exchange and Non-exchange Transactions

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

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

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

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

Proprietary fund types, when applicable, use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. The District currently has no proprietary (enterprise) funds.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets and Budgetary Accounting

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

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

G. Assets, Liabilities and Fund Equity

1) Cash and Investments

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. District policy limits investments to Public Funds Deposits in local banks and daily cash accumulation funds with ColoTrust and CSafe. (See also Note 2.)

2) Receivables

General receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Leases receivable (subject to GASB Statement No. 87) are reported on the government-wide statement of net assets at net present value.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity – (continued)

3) Internal Balances

Internal balances arise from outstanding amounts due to/from the District’s various funds during the course of normal operations. Internal balances within governmental activities are eliminated on the government-wide Statement of Net Position.

4) Inventory

Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first in-first out basis. Freight and delivery charges are not included in inventory valuations.

5) Property Taxes Receivable/Property Tax Revenues

Property taxes are levied and collected on behalf of the District by San Miguel County and are reported as revenue when received by the county treasurer. Taxes receivable represent the 2023 assessed taxes yet to be collected in 2024. Amounts collectible subsequent to August 2024 have been accrued on the government-wide Statement of Net Position. The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary. Property taxes levied for 2024 and collected (including amounts receivable within 60 days of year-end) are recognized as revenue as follows:

<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		
		<u>Levied</u>	<u>Recognized</u>	<u>Percent Collected</u>
<i>General Fund:</i>				
\$1,212,428,933	10.325	\$ 12,518,329	\$12,216,918	97.6%
<i>Debt Service Fund:</i>				
\$1,212,428,933	3.184	\$ 3,860,374	\$ 3,767,425	97.6%
<i>Transportation Fund:</i>				
\$1,212,428,933	0.244	\$ 295,833	\$ 288,710	97.6%

Property taxes are assessed on a calendar year basis and attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and accrued interest thereon become delinquent on June 16th.

6) Capital Assets

Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$5,000 (set by the Board) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of Equipment is on the straight-line basis with the mid-year convention, and Depreciation of Buildings and Improvements is on the straight-line method beginning in the year after they are placed in service, provided over the following estimated useful lives:

Buildings	40 years
Improvements	10-15 years
Solar Array	25 years
Vehicles and Other Equipment	3-10 years

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

7) Accrued Salaries and Benefits

The accrued salaries and benefits in the governmental funds represent the difference between wages earned and paid resulting from contracts being paid over a 12-month period, which are earned over a 9-month school year.

8) Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Administrative, professional services and support-staff employees that are given vacation time are 12-month employees. The amount of vacation and other compensation and benefit terms are spelled out in their individual contracts. Any vacation payout would be subject to the terms of their individual contract.

In the government-wide financial statements, a long-term liability is accrued for vacation and sick pay as earned. At the governmental fund level, a liability is accrued only if matured, for example, as a result of employee resignations or retirements.

9) Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Proprietary (enterprise funds), when applicable, use this same method of reporting. Governmental funds report liabilities that, once incurred, are paid in a timely manner and in full from current financial resources as obligations of the funds and bonds are recognized as a liability when due. The face amount of debt issued and premiums are reported as other financing sources and discounts as other financing uses. At both the government-wide and fund level, debt issuance costs, whether or not withheld from the actual debt proceeds received, are expensed as incurred.

10) Net Position and Fund Balances

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

10) Net Position and Fund Balances - continued

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

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

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

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

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

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

At June 30, 2024, restricted fund balances were for debt service, transportation services, food service programs, building fund capital outlay, and \$512,500 for Tabor Emergency reserves. Committed and Assigned amounts include accumulated reserves for pupil activities, affordable housing, the Palm Theatre, and for capital outlay, as well as reserves set aside in anticipation of potential property tax and state funding shortfalls, and cash flow reserves.

The District recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board's intent is to maintain a minimum total fund balance of 25% of the District's General Fund annual operating expenditures. If a fund balance drops below 25% the intent is that it shall be recovered at a rate of 1% minimally, each year.

H. Unearned Revenues

Unearned Revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

I. Deferred Outflows and Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Defined Benefit Pension Plan

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

Special Funding Situation:

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

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

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

L. On-Behalf Payments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Inter-fund Transactions

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

N. Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing the District's financial program. The District does not have a formally adopted deposit or investment policy in place to specifically address credit risk, custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk; however, it is the policy of the District to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds. The District limits investments to Public Funds Deposits and insured deposits in local banks and daily cash accumulation fund with local government investment pools. This policy applies to the investment of all financial assets of the District over which it exercises financial control. A summary of the District's deposits and investments follows:

	<u>Fair Value</u>
Checking/Savings/Money Market	\$ 11,067,148
Colo Local Govt Liquid Asset Trust (COLOTRUST)	29,047,586
Colo Surplus Asset Fund Trust (CSAFE)	9,542
Cash with Fiscal Agent	4,553,296
Less Outstanding Items	(147,844)
Total Cash and Investments	\$ 44,529,728

Restricted cash and investments reflect amounts on deposit with the District's bond fiscal agent for future debt service, and held for future capital expenditures in the District's Building Fund.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

The District's bank deposits include an Insured Cash Sweep (ICS) account which uses a network of FDIC-insured member institutions to place the funds into demand deposit accounts, money market accounts, or both, to achieve further FDIC coverage. The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$11,067,148 of which \$5,544,246 was covered by FDIC insurance and \$5,522,902 by PDPA as described above.

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Local Government Investment Pool (COLOTRUST and CSAFE)

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAAM by Standard & Poor's, Fitch's and Moody's rating services. The custodian's internal records segregate investments owned by the Trust. As of June 30, 2024, the District had \$0 invested in COLOTRUST PRIME, and \$29,047,586 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

At June 30, 2024, the District had \$9,542 on deposit in the Colorado Surplus Asset Fund Trust (CSAFE) which reflects the value of the investment at amortized cost. There are no limitations on withdrawals from the District's CSAFE investments.

Maturities of the District's investments are as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Maturities</u>
COLOTRUST	AAAm	\$ 29,047,586	< 1 year
CSAFE	AAAm	\$ 9,542	< 1 year

Risk Disclosures

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Risk Disclosures – continued

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve; however, maturities are structured to accommodate readily identifiable cash flows as approved by the Board.

The District was not subject to foreign currency risk.

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

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

<u>GOVERNMENTAL ACTIVITIES</u>	Restated Balances June 30, 2023	Additions	Reclassif./ Dispositions	Balances June 30, 2024
Land	\$ 1,276,648	\$ -	\$ -	\$ 1,276,648
Construction-in-Progress	7,517,631	653,995	(7,155,870)	1,015,756
Depreciable Capital Assets:				
Buildings and Improvements	58,877,667	3,509,373	4,421,995	66,809,035
Solar Array	1,412,128	954,072	2,510,042	4,876,242
Transportation Equipment	1,241,034	101,195	(174,278)	1,167,951
Other Equipment	1,870,602	573,180	(3,290)	2,440,492
Less Accumulated Depreciation	<u>(24,214,614)</u>	<u>(2,411,210)</u>	<u>401,401</u>	<u>(26,224,423)</u>
GOVERNMENTAL ACTIVITIES				
TOTAL CAPITAL ASSETS, NET	<u>\$ 47,981,096</u>	<u>\$ 3,380,605</u>	<u>\$ -</u>	<u>\$ 51,361,701</u>

Depreciation expense was charged to functions/programs as follows:

Instruction	\$ 2,046,831
Supporting Services	89,735
Community Services	<u>274,644</u>
Total for Governmental Activities	<u>\$ 2,411,210</u>

Right to use lease asset activity for the fiscal year ended June 30, 2024, was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	Balances June 30, 2023	Additions	Reclassif./ Dispositions	Balances June 30, 2024
Right-to-use Lease Assets	\$ 114,899	\$ 68,541	\$ (137,082)	\$ 46,358
Less Accumulated Amortization	<u>(71,378)</u>	<u>(68,414)</u>	<u>121,542</u>	<u>(18,250)</u>
GOVERNMENTAL ACTIVITIES				
ROU LEASE ASSETS, NET	<u>\$ 43,521</u>	<u>\$ 127</u>	<u>\$ (15,540)</u>	<u>\$ 28,108</u>

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

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligation activity for the fiscal year ended June 30, 2024, was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Certificates of Participation – Series 2017	\$ 2,135,000	\$ -	\$ (110,000)	\$ 2,025,000	\$ 115,000
Series 2017 Premium	219,690	-	(11,319)	208,371	11,834
General Obligation Bonds Series 2015	2,005,000	-	(980,000)	1,025,000	1,025,000
Series 2015 Premium	391,488	-	(191,351)	200,137	200,137
General Obligation Refunding Bonds Series 2021A	15,135,000	-	(270,000)	14,865,000	270,000
General Obligation Improvement Bonds Series 2021B	1,615,000	-	(130,000)	1,485,000	145,000
Series 2021B Premium	288,314	-	(23,208)	265,106	25,886
General Obligation Bonds Series 2024	-	31,800,000	-	31,800,000	700,000
Series 2024 Premium	-	4,513,999	-	4,513,999	99,365
Compensated Absences	417,973	11,942	-	429,915	-
GOVERNMENTAL TOTAL					
LONG-TERM DEBT, NET	<u>\$ 22,207,465</u>	<u>\$ 36,325,941</u>	<u>\$ (1,715,878)</u>	<u>\$ 56,817,528</u>	<u>\$ 2,592,222</u>

Certificates of Participation - Series 2017

Certificates of Participation in the face amount of \$2,540,000 were issued August 1, 2017 for the purpose of financing the construction of affordable housing units for the District. The Certificates evidence proportionate interests in the base rentals and other revenues under a Lease Purchase Agreement between UMB Bank N.A. solely in its capacity as trustee lessor and the District as lessee. Interest rates range from 3.0% to 4.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2037, and secured by the constructed housing units. The certificates of participation are paid from the Affordable Housing Fund. The District has appropriated amounts to meet the lease payments for the principal and interest due. The premium on the 2017 Series Certificates of Participation is being amortized over the term of the debt using the effective interest method.

The annual requirements to amortize the certificates of participation follows:

Fiscal year ending <u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 115,000	\$ 76,975	\$ 191,975
2026	115,000	73,525	188,525
2027	120,000	69,400	189,400
2028	125,000	64,500	189,500
2029	130,000	59,400	189,400
2030-2034	725,000	213,500	938,500
2035-2038	695,000	56,900	751,900
TOTAL	<u>\$ 2,025,000</u>	<u>\$ 614,200</u>	<u>\$ 2,639,200</u>

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

NOTE 5 - LONG-TERM OBLIGATIONS - continued

General Obligation Bonds - Series 2015

General Obligation Bonds in the face amount of \$22,260,000 were issued January 15, 2015 for the purpose of financing the construction, renovation and other capital improvements approved by the District voters and to pay the cost of issuance. Interest rates range from 2.0% to 5.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2034, and secured by the District's covenant to certify a levy sufficient to meet principal and interest payments with respect to the bonds. The District's Series 2015 general obligation bonds are paid from the Debt Service Fund. A portion of the Series 2015 Bonds in the amount of \$13,565,000 were advance refunded with the issuance of District's Series 2021A General Obligation Refunding Bonds (see below). The District used the net proceeds to purchase U.S. government securities deposited in an irrevocable trust with U.S. Bank to provide for all future debt service on the refunded portion of the Series 2015 Bonds. As a result, that portion of the Series 2015 bonds is considered defeased and the District has removed the liability from its accounts. The advance refunding reduced total debt service payments over the next 13 years by approximately \$4.36 million (the difference between the cash flows required to service the old debt and the new debt). This is an economic gain resulting from the refunding transaction, calculated on a present value basis discounted at the effective interest rate, of \$972,322. The deferred gain is being amortized over the over the remaining term of the refunded debt. The remaining outstanding premium on the Series 2015 Bonds is being amortized over the term of the Bonds using the effective interest method.

The annual requirements to amortize the G.O. Bonds Series 2015 follows:

Fiscal year ending <u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,025,000	\$ 25,625	\$ 1,050,625
TOTAL	<u>\$ 1,025,000</u>	<u>\$ 25,625</u>	<u>\$ 1,050,625</u>

General Obligation Refunding Bonds - Series 2021A

General Obligation Refunding Bonds Series 2021A in the face amount of \$15,405,000 were issued December 2, 2021, for the purpose of advance refunding a portion of the District's General Obligation Bonds Series 2015 (as discussed above) and paying the costs of issuing the Series 2021A Bonds. Interest rates range from 0.504% to 2.404% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2034, and secured by the District's covenant to certify a levy sufficient to meet principal and interest payments with respect to the bonds. The District's Series 2021A general obligation bonds are paid from the Debt Service Fund.

The annual requirements to amortize the G.O. Refunding Bonds Series 2021A follows:

Fiscal year ending <u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 270,000	\$ 276,865	\$ 546,865
2026	1,355,000	267,124	1,622,124
2027	1,365,000	249,250	1,614,250
2028	1,390,000	228,393	1,618,393
2029	1,415,000	204,372	1,619,372
2030-2034	7,475,000	595,956	8,070,956
2035	<u>1,595,000</u>	<u>19,172</u>	<u>1,614,172</u>
TOTAL	<u>\$ 14,865,000</u>	<u>\$ 1,841,132</u>	<u>\$ 16,706,132</u>

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

NOTE 5 - LONG-TERM OBLIGATIONS - continued

General Obligation Improvement Bonds - Series 2021B

General Obligation Improvement Bonds in the face amount of \$1,740,000 were issued December 2, 2021 from authorized debt remaining from the January 29, 2015 election, for the purpose of financing the costs of improving, repairing and making additions to school buildings, equipping or furnishing school buildings, improving school grounds, or acquiring, constructing or improving any capital asset for District purposes, and paying the costs of issuing the Series 2021B Bonds. Interest rates range from 4.0% to 5.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2032, and secured by the District's covenant to certify a levy sufficient to meet principal and interest payments with respect to the bonds. The District's Series 2021B general obligation bonds are paid from the Debt Service Fund. The premium on the Series 2021B Bonds is being amortized over the term of the Bonds using the effective interest method.

The annual requirements to amortize the G.O. Improvement Bonds Series 2021B follows:

Fiscal year ending <u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 145,000	\$ 57,950	\$ 202,950
2026	145,000	51,425	196,425
2027	155,000	44,700	199,700
2028	155,000	38,500	193,500
2029	160,000	32,200	192,200
2030-2033	<u>725,000</u>	<u>59,300</u>	<u>784,300</u>
TOTAL	<u>\$ 1,485,000</u>	<u>\$ 284,075</u>	<u>\$ 1,769,075</u>

General Obligation Bonds - Series 2024

General Obligation Bonds in the face amount of \$31,800,000 were issued June 1, 2024, for the purpose of financing the costs of acquiring, constructing, repairing, equipping and improving District capital assets and paying the costs of issuing the Series 2024 Bonds. Interest rates range from 3.0% to 5.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2043, and secured by the District's covenant to certify a levy sufficient to meet principal and interest payments with respect to the bonds. The District's Series 2024 general obligation bonds are paid from the Debt Service Fund. The premium on the Series 2021B Bonds is being amortized over the term of the Bonds using the effective interest method.

The annual requirements to amortize the G.O. Bonds Series 2024 follows:

Fiscal year ending <u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 700,000	\$ 1,558,500	\$ 2,258,500
2026	340,000	1,532,500	1,872,500
2027	360,000	1,515,000	1,875,500
2028	380,000	1,496,500	1,876,500
2029	400,000	1,477,000	1,877,000
2030-2034	2,500,000	7,060,250	9,560,250
2035-2039	11,045,000	5,616,125	16,661,125
2040-2043	<u>16,075,000</u>	<u>2,087,625</u>	<u>18,162,625</u>
TOTAL	<u>\$ 31,800,000</u>	<u>\$ 22,343,500</u>	<u>\$ 54,143,500</u>

Compensated Absences

The District's compensated absences are liquidated by the governmental funds in relation to the applicable employee salary accrued in each fund.

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

NOTE 6 - OTHER LEASE COMMITMENTS

The District has implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, for government-wide Statement of Net Assets recognition of leases and note disclosure of certain information about lease arrangements.

The District is the lessee of office equipment under operating leases. The District determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified and recognized as lease commitments and leases with contractual terms longer than twelve months as either operating or finance. The District’s equipment leases generally have terms from one to five years.

Right-to-use assets and lease obligations for operating leases are included in “ROU Lease Assets” and “Present Value of Lease Liability”, respectively, in the Statement of Net Assets. Leased assets represent the District’s right to use an underlying asset for the lease term and lease liabilities represent the District’s obligation to make lease payments arising from the lease, which are subject to annual appropriation.

Operating right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments.

Following are the required future minimum base rental payments under the District’s leases.

Fiscal Year Ending <u>June 30</u>		
2025	\$	29,164
2026		31,973
2027		25,427
2028		24,549
2029		22,023
Thereafter		3,670

NOTE 7 - CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024 the District was not aware of any unaccrued amounts to be refunded to the Colorado Department of Education. The District believes that any potential disallowed expenditures, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

NOTE 8 - INVENTORIES

Food Service inventory of \$7,251 remained as of June 30, 2024, consisting of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Department of Agriculture, are recorded at their estimated fair market value when received.

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

NOTE 9 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES), a jointly governed organization of five regional school districts. The UnBOCES is a regional educational service unit designed to provide Special Education services and supporting instructional, administrative, staff and other services determined by participating member districts. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District. Financial statements for the UnBOCES can be obtained directly from UnBOCES by contacting their administrative offices at 1115 W. Clinton, Ridgway, CO 81432; (970) 626-2977.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

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

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

Contributions Provisions as of June 30, 2024. Eligible employees and the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*, and § 24-51-413. Eligible employees are required to contribute 11% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Heath Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,114,162 for the year ended June 30, 2024.

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

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

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

At June 30, 2024, the District reported a liability of \$26,239,237 for its proportionate share of the net pension liability that reflected an increase for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District follows:

The District’s proportionate share of the net pension liability	\$ 26,239,237
The State’s proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$ 43,836
Total	\$ 26,283,073

At December 31, 2023, the District’s proportion was 0.1483832532% which was an increase of 0.0311510295% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$3,033,292 and revenue of \$43,836 for support from the State as a non-employer contributing entity.

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

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 1,244,237	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	1,880,945	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,542,718	1,787,683
Contributions subsequent to the measurement date	1,093,994	-
Total	\$ 7,761,894	\$ 1,787,683

The amount of \$1,093,994 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2025	\$ 1,582,340	\$ 1,395,743
2026	1,484,651	391,940
2027	475,727	-
2028	-	-
2029	-	-
Thereafter	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The PERA Board first adopted the 7.25 percent 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 affirmation of the long-term expected rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

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

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

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

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

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

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 35,086,225	\$ 26,239,237	\$ 18,861,920

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS:

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed \$201,587 and the District recognized no pension expense or a liability for the PERAPlus 401(k) Plan.

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLANS - continued

Deferred Compensation Plan (PERAPlus 457 Plan)

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

Funding Policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2024 program members contributed \$48,545 to the PERAPlus 457 Plan and the District recognized no pension expense or liability for the PERAPlus 457 Plan.

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

General Information about the OPEB Plan

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

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

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

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

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

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

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

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

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$105,812 for the year ended June 30, 2024.

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

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

At June 30, 2024, the District reported a liability of \$633,571 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the District's proportion was 0.0887695669%, which was a decrease of 0.0002308082% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(10,170). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 129,858
Changes of assumptions or other inputs	7,450	67,180
Net difference between projected and actual earnings on OPEB plan investments	19,595	-
Changes in proportion and differences between contrib recognized and proportionate share of contributions	40,426	38,210
Contributions subsequent to the measurement date	54,754	-
Total	\$ 122,225	\$ 235,248

The amount of \$54,754 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2025	\$ 17,595	\$ 10,754
2026	17,447	8,470
2027	4,709	8,277
2028	675	8,235
2029	-	2,274
Thereafter	-	200

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

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

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

School Division - calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, including wage inflation	3.40% - 11.00%
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	7.00 % in 2023 gradually decreasing to 4.5% in 2033
Medicare Part A premiums	3.50% in 2023 gradually increasing to 4.50% in 2035
<i>DPS Benefit Structure:</i>	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A Premiums	N/A

¹ UnitedHealthcare MAPD PPO plans are 0% for 2023.

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

Age-Related Morbidity Assumptions

Participant	Annual Increase	Annual Increase
Age	(Male)	(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%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 615,387	\$ 633,571	\$ 653,352

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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

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

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 percent, 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 percent) or one percentage point higher (8.25 percent) than the current rate:

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 748,327	\$ 633,571	\$ 535,398

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

NOTE 15 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God.

The District pays an annual premium for its commercial, property, casualty and liability insurance coverage, including property, automobile and general liability policies, errors and omissions and employment practices liability policies, referred to as school entity liability. The District carries commercial insurance for other risks of loss, including workers compensation and employee health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Compliance Requirements

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

B. TABOR Amendment – Tax, Spending and Debt Limitations

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

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

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- continued

TABOR also requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

In November 1996 the District’s electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR’S revenue limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$512,500 as of June 30, 2024.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification of a fund as an Enterprise Fund) will require judicial interpretation.

NOTE 17 - RESTATEMENT OF NET POSITION

Prior year net position of governmental activities has been restated for amounts received from grants and expected solar tax credits that had been deducted from prior period capital assets construction-in-progress (CIP):

Prior Year Net Position as Originally Stated	\$ 12,374,875
CIP Addback - DOLA Grant Proceeds	543,903
CIP Addback - Solar Tax Credits	<u>548,504</u>
Prior Year Net Position, as Restated	<u>\$ 13,467,282</u>

NOTE 18 - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUES FUNDS

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

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 11,590,282	\$ 12,408,437	\$ 12,411,920	\$ 3,483
Specific Ownership Taxes	558,456	558,456	549,250	(9,206)
Local Grants	478,500	340,442	362,656	22,214
Other Local Revenues	311,500	395,000	443,115	48,115
Intergovernmental:				
Intermediate Sources	4,500	4,500	3,854	(646)
State Sources	5,198,912	4,337,917	3,951,652	(386,265)
Federal Sources	405,370	1,026,565	945,312	(81,253)
Interest Earnings	100,000	225,000	255,697	30,697
Total Revenues	<u>18,647,520</u>	<u>19,296,317</u>	<u>18,923,456</u>	<u>(372,861)</u>
EXPENDITURES:				
Instruction	10,315,612	10,513,984	10,011,920	502,064
Supporting Services:				
Students	1,597,545	1,564,376	1,390,673	173,703
Instructional Staff	2,155,753	2,198,819	2,181,130	17,689
General Administration	590,565	600,392	554,433	45,959
School Administration	936,518	960,818	932,653	28,165
Business Services	388,213	396,238	377,805	18,433
Operations and Maintenance	2,397,973	2,416,448	2,041,815	374,633
Central Services	442,001	466,342	484,403	(18,061)
Total Expenditures	<u>18,824,180</u>	<u>19,117,417</u>	<u>17,974,832</u>	<u>1,142,585</u>
Excess of Revenues Over (Under) Expenditures	(176,660)	178,900	948,624	769,724
Operating Transfers (Out)	(875,000)	(675,000)	(685,000)	(10,000)
Surplus/(Deficit) – Budgetary Basis	<u>\$ (1,051,660)</u>	<u>\$ (496,100)</u>	<u>\$ 263,624</u>	<u>\$ 759,724</u>
Fund Balances:				
Fund Balance – Beginning	\$ 5,627,494	\$ 5,467,415	\$ 5,471,164	\$ 3,749
Surplus/(Deficit)	(1,051,660)	(496,100)	263,624	759,724
Fund Balance – Ending	<u>\$ 4,575,834</u>	<u>\$ 4,971,315</u>	<u>\$ 5,734,788</u>	<u>\$ 763,473</u>
Budgetary Expenditures	\$ 18,824,180	\$ 19,117,417		
Budgetary Operating Transfers	875,000	675,000		
Budget Appropriated Fund Balance	-	4,971,315		
Total Appropriation	<u>\$ 19,699,180</u>	<u>\$ 24,763,732</u>		

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

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

FOOD SERVICE FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources	\$ 10,000	\$ 10,000	\$ 17,337	\$ 7,337
State Sources	236,000	242,000	147,736	(94,264)
Federal Sources	130,000	130,000	156,810	26,810
Total Revenues	376,000	382,000	321,883	(60,117)
EXPENDITURES:				
Food Services:				
Salaries	198,203	198,203	179,351	18,852
Employee Benefits	87,360	93,360	54,570	38,790
Purchased Services	33,200	37,200	49,943	(12,743)
Supplies and Materials:				
Purchased Food/Supplies	156,000	156,000	155,587	413
Donated Commodities	20,000	20,000	18,836	1,164
Total Expenditures	498,763	504,763	458,287	46,476
Excess of Revenues Over (Under) Expenditures	(122,763)	(122,763)	(136,404)	(13,641)
Operating Transfers In (Out)	100,000	100,000	120,000	20,000
Surplus/(Deficit) - Budgetary Basis	\$ (22,763)	\$ (22,763)	\$ (16,404)	\$ 6,359
 Fund Balances:				
Fund Balance – Beginning	\$ 57,804	\$ 76,832	\$ 76,832	\$ -
Surplus/(Deficit)	(22,763)	(22,763)	(16,404)	6,359
Fund Balance – Ending	\$ 35,041	\$ 54,069	\$ 60,428	\$ 6,359
Budgetary Expenditures	\$ 498,763	\$ 504,763		
Budget Appropriated Fund Balance	-	54,069		
Total Appropriation	\$ 498,763	\$ 558,832		

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

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
SPECIAL REVENUE FUND – PUPIL ACTIVITY FUND
For the Fiscal Year Ended June 30, 2024

	PUPIL ACTIVITY FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources – Fees	\$ 156,500	\$ 195,000	\$ 212,985	\$ 17,985
State Sources	4,000	14,000	1,111	(12,889)
Total Revenues	160,100	209,000	214,096	5,096
EXPENDITURES:				
Instruction - Pupil Activities:				
Salaries	172,840	172,840	172,484	356
Benefits	44,050	54,050	40,931	13,119
Purchased Services	98,500	158,500	177,536	(19,036)
Supplies	134,808	134,808	141,642	(6,834)
Capital Outlay	10,000	10,000	13,109	(3,109)
Other	-	-	250	(250)
Student Support - Pupil Activities:				
Salaries	26,888	26,888	-	26,888
Benefits	15,087	15,087	702	14,385
Purchased Services	60,000	-	-	-
Instructional Staff - Pupil Activities:				
Salaries	88,884	88,884	93,447	(4,563)
Benefits	25,333	25,333	26,881	(1,548)
Purchased Services	1,800	1,800	556	1,244
Total Expenditures	678,190	688,190	667,538	20,652
Excess of Revenues Over (Under) Expenditures	518,090	(479,190)	(453,442)	25,748
Operating Transfers In (Out)	475,000	475,000	450,000	(25,000)
Surplus/(Deficit) – Budgetary Basis	\$ (43,090)	\$ (4,190)	\$ (3,442)	\$ 748
Fund Balances:				
Fund Balance – Beginning	\$ 48,417	\$ 6,860	\$ 6,860	\$ -
Surplus/(Deficit)	(43,090)	(4,190)	(3,442)	748
Fund Balance – Ending	\$ 5,327	\$ 2,670	\$ 3,418	\$ 748
Budgetary Expenditures	\$ 678,190	\$ 688,190		
Budget Appropriated Fund Balance	-	2,670		
Total Appropriation	\$ 678,190	\$ 690,860		

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

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
SPECIAL REVENUE FUND – TRANSPORTATION FUND
For the Fiscal Year Ended June 30, 2024

	TRANSPORTATION FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 350,000	\$ 295,800	\$ 292,054	\$ (3,746)
Specific Ownership Taxes	12,000	12,000	10,042	(1,958)
Other Local Revenues	-	-	1,854	1,854
Intergovernmental:				
State Sources	38,200	44,200	31,019	(13,181)
Total Revenues	400,200	352,000	334,969	(17,031)
EXPENDITURES:				
General Administration:				
Purchased Services (Treas Fees)	-	2,200	2,887	(687)
Transportation:				
Salaries	122,946	122,946	106,492	16,454
Benefits	42,080	48,080	37,676	10,404
Purchased Services	229,650	227,450	227,259	191
Supplies	61,500	61,500	60,755	745
Capital Outlay	-	-	9,470	(9,470)
Other	-	-	21	(21)
Total Expenditures	456,176	462,176	444,560	17,616
Excess of Revenues Over (Under) Expenditures	(55,976)	(110,176)	(109,591)	585
Operating Transfers In (Out)	-	50,000	55,000	5,000
Surplus/(Deficit) – Budgetary Basis	<u>\$ (55,976)</u>	<u>\$ (60,176)</u>	<u>\$ (54,591)</u>	<u>\$ 5,585</u>
Fund Balances:				
Fund Balance – Beginning	\$ 56,511	\$ 77,883	\$ 77,883	\$ -
Surplus/(Deficit)	<u>(55,976)</u>	<u>(60,176)</u>	<u>(54,591)</u>	<u>5,585</u>
Fund Balance – Ending	<u>\$ 535</u>	<u>\$ 17,707</u>	<u>\$ 23,292</u>	<u>\$ 5,585</u>
Budgetary Expenditures	\$ 456,176	\$ 462,176		
Budget Appropriated Fund Balance	<u>-</u>	<u>17,707</u>		
Total Appropriation	<u>\$ 456,176</u>	<u>\$ 479,883</u>		

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

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
SPECIAL REVENUE FUND – AFFORDABLE HOUSING FUND
For the Fiscal Year Ended June 30, 2024

AFFORDABLE HOUSING FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Rentals	\$ 244,400	\$ 233,000	\$ 213,571	\$ (19,429)
Interest Earnings	-	-	569	569
Total Revenues	244,400	233,000	214,140	(18,860)
EXPENDITURES:				
Business Services:				
Purchased Services	2,500	2,500	2,500	-
Operations and Maintenance:				
Purchased Services	74,900	90,300	78,496	11,804
Supplies	8,000	8,000	14,911	(6,911)
Capital Outlay	10,000	10,000	4,676	5,324
Other	10,000	10,000	10,868	(868)
Central Services:				
Purchased Services (insurance)	-	8,300	7,968	332
Debt Service:				
Principal	110,000	110,000	110,000	-
Interest	82,000	82,000	80,350	1,650
Total Expenditures	297,400	321,100	309,769	11,331
Excess of Revenues Over (Under) Expenditures	(53,000)	(88,100)	(95,629)	(7,529)
Operating Transfers In (Out)	-	50,000	60,000	10,000
Surplus/(Deficit) – Budgetary Basis	<u>\$ (53,000)</u>	<u>\$ (38,100)</u>	<u>\$ (35,629)</u>	<u>\$ 2,471</u>
Fund Balances:				
Fund Balance – Beginning	\$ 85,246	\$ 51,489	\$ 51,489	\$ -
Surplus/(Deficit)	<u>(53,000)</u>	<u>(38,100)</u>	<u>(35,629)</u>	<u>2,471</u>
Fund Balance – Ending	<u>\$ 32,246</u>	<u>\$ 13,389</u>	<u>\$ 15,860</u>	<u>\$ 2,471</u>
Budgetary Expenditures	\$ 297,400	\$ 321,100		
Budget Appropriated Fund Balance	<u>-</u>	<u>13,389</u>		
Total Appropriation	<u>\$ 297,400</u>	<u>\$ 334,489</u>		

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

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
SPECIAL REVENUE FUND – PALM THEATRE FUND
For the Fiscal Year Ended June 30, 2024

	PALM THEATRE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources – Palm Arts Contributions	\$ 206,408	\$ 206,409	\$ 184,851	\$ (21,558)
State Sources	2,500	8,500	584	(7,916)
Total Revenues	208,908	214,909	185,435	(29,474)
EXPENDITURES:				
Community Services:				
Salaries	158,454	158,455	141,328	17,127
Employee Benefits	50,454	56,454	44,107	12,347
Total Expenditures	208,908	214,909	185,435	29,474
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Operating Transfers In (Out)	-	-	-	-
Surplus/(Deficit) – Budgetary Basis	\$ -	\$ -	\$ -	\$ -
Fund Balances:				
Fund Balance – Beginning	\$ 25,076	\$ 25,076	\$ 25,076	\$ -
Surplus/(Deficit)	-	-	-	-
Fund Balance – Ending	<u>\$ 25,076</u>	<u>\$ 25,076</u>	<u>\$ 25,076</u>	<u>\$ -</u>
Budgetary Expenditures	\$ 208,908	\$ 214,909		
Budget Appropriated Fund Balance	-	25,076		
Total Appropriation	<u>\$ 208,908</u>	<u>\$ 239,985</u>		

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

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

	Reporting Fiscal Year / (Measurement Date)				
	2024 / (2023)	2023 / (2022)	2022 / (2021)	2021 / (2020)	2020 / (2019)
Colorado PERA:					
District's proportion (percentage) of the collective net pension liability	0.11483832532%	0.1172322237%	0.1427891011%	0.1580956605%	0.1304506671%
District's proportionate share of the collective pension liability	\$ 26,239,237	\$ 21,347,261	\$ 16,616,890	\$ 23,900,875	\$ 19,489,047
District's covered payroll	\$ 9,809,460	\$ 9,031,447	\$ 8,923,856	\$ 8,449,550	\$ 7,648,761
District's proportionate share of the net pension liability as a percentage of its covered payroll	268%	236%	186%	283%	255%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.85%	66.99%	64.52%
Colorado PERA (continued):					
District's proportion (percentage) of the collective net pension liability	0.11325461898%	0.11486332493%	0.1511087484%	0.14565957072%	0.1456150362%
District's proportionate share of the collective pension liability	\$ 23,470,025	\$ 48,062,710	\$ 44,990,918	\$ 22,420,778	\$ 19,735,729
District's covered payroll	\$ 7,285,862	\$ 6,856,108	\$ 6,781,768	\$ 6,383,408	\$ 6,100,384
District's proportionate share of the net pension liability as a percentage of its covered payroll	322%	701%	663%	351%	324%
Plan fiduciary net position as a percentage of the total pension liability	57.01 %	43.96%	43.13%	59.16%	62.84%

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

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

	Reporting Fiscal Year				
	2024	2023	2022	2021	2020
<u>Colorado PERA:</u>					
Statutorily required contribution	\$ 2,114,162	\$ 1,920,388	\$ 1,789,599	\$ 1,759,003	\$ 1,543,334
District contributions in relation to the statutorily required contribution	2,114,162	1,920,388	1,789,599	1,759,003	1,543,334
District contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 10,373,687	\$ 9,422,897	\$ 9,001,993	\$ 8,848,090	\$ 7,963,515
District's contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
<u>Colorado PERA (continued):</u>					
Statutorily required contribution	\$ 1,431,417	\$ 1,308,709	\$ 1,256,693	\$ 1,196,503	\$ 1,065,796
District contributions in relation to the statutorily required contribution	1,431,417	1,308,709	1,256,693	1,196,503	1,065,796
District contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,482,560	\$ 6,929,693	\$ 6,835,748	\$ 6,746,394	\$ 6,321,947
District's contributions as a percentage of covered payroll	19.13%	18.89%	18.38%	17.74%	16.86%

2024, 2023, 2022, 2020 and 2019 contributions include \$43,836, \$530,477, \$203,374, \$187,226 and \$190,605 respectively from the special funding situation with the State of Colorado as a non-employer contributing entity per SB 18-200.

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

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

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

2023 Changes in Plan Provisions Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14,561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a “12-pay” method to a “non-12-pay” method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

2023 Changes in Plan Provisions Since 2022

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

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

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

	Reporting Fiscal Year / (Measurement Date)				
	2024 / (2023)	2023 / (2022)	2022 / (2021)	2021 / (2020)	2020 / (2019)
<u>Colorado PERA HCTF:</u>					
District's proportion of the Net OPEB Liability	0.0887695669%	0.0890003751%	0.0932303364%	0.0913715708%	0.0850657910%
District's proportionate share of the Net OPEB Liability	\$ 633,571	\$ 726,669	\$ 803,930	\$ 868,236	\$ 956,138
District's covered payroll	\$ 9,809,460	\$ 9,031,447	\$ 8,923,856	\$ 8,449,550	\$ 7,648,761
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	6.46%	8.05%	9.01%	10.28%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%

Colorado PERA HCTF:

	Reporting Fiscal Year / (Measurement Date)	
	2019 / (2018)	2018 / (2017)
District's proportion of the Net OPEB Liability	0.0861449385%	0.0844507728%
District's proportionate share of the Net OPEB Liability	\$ 1,172,038	\$ 1,113,576
District's covered payroll	\$ 7,285,862	\$ 6,781,768
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.09%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	16.72%

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

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

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

	Reporting Fiscal Year			
	2024	2023	2022	2021
<u>Colorado PERA:</u>				
Contractually Required Contribution	\$ 105,812	\$ 96,114	\$ 91,820	\$ 90,251
District Contributions in relation to the contractually required contribution	\$ 105,812	\$ 96,114	\$ 91,820	\$ 90,251
District contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 10,373,687	\$ 9,422,897	\$ 9,001,993	\$ 8,848,490
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%
<u>Colorado PERA:</u>				
Contractually Required Contribution	\$ 76,322	\$ 70,683	\$ 69,725	
District Contributions in relation to the contractually required contribution	\$ 76,322	\$ 70,683	\$ 69,728	
District contribution deficiency (excess)	\$ -	\$ -	\$ -	
District's covered payroll	\$ 7,482,560	\$ 6,929,693	\$ 6,835,748	
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	

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

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

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

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

2023 Changes in Plan Provisions Since 2022

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

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

2023 Changes in Plan Provisions Since 2022

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

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2024

	DEBT SERVICE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Property Taxes	\$ 1,850,000	\$ 3,860,000	\$ 3,795,313	\$ (64,687)
Specific Ownership Taxes			-	
Interest Earnings	80,000	100,000	127,068	27,068
Total Revenues	1,930,000	3,960,000	3,922,381	(37,619)
EXPENDITURES:				
Debt Service:				
Principal	1,380,000	1,380,000	1,380,000	-
Interest	418,878	1,020,000	812,878	207,122
Other Costs	2,500	2,500	750	1,750
Total Expenditures	1,801,378	2,402,500	2,193,628	208,872
Excess of Revenues Over (Under) Expenditures	128,622	1,557,500	1,728,753	171,253
Operating Transfers In (Out)	-	-	5,750	5,750
Surplus/(Deficit) – Budgetary Basis	\$ 128,622	\$ 1,557,500	\$ 1,734,503	\$ 177,003
Fund Balances:				
Fund Balance – Beginning	\$ 2,982,627	\$ 2,998,547	\$ 2,998,547	\$ -
Surplus/(Deficit)	128,622	1,557,500	1,734,503	177,003
Fund Balance – Ending	<u>\$ 3,111,249</u>	<u>\$ 4,556,047</u>	<u>\$ 4,733,050</u>	<u>\$ 177,003</u>
Budgetary Expenditures	\$ 1,801,378	\$ 2,402,500		
Budget Appropriated Fund Balance	-	4,556,047		
Total Appropriation	<u>\$ 1,801,378</u>	<u>\$ 6,958,547</u>		

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

SUPPLEMENTARY INFORMATION

BUILDING FUND

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
BUILDING FUND
For the Fiscal Year Ended June 30, 2024

	BUILDING FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Solar Credits/Rebates	\$ 170,000	\$ 170,000	\$ 129,504	\$ (40,496)
State Sources	250,000	278,128	230,572	(47,556)
Tax Credits	799,500	250,996	197,485	(53,511)
Earnings on Investments	-	350,000	526,807	176,807
Total Revenues	<u>1,219,500</u>	<u>1,049,124</u>	<u>1,084,368</u>	<u>35,244</u>
EXPENDITURES:				
Facilities:				
Salaries	-	-	31,154	(31,154)
Employee Benefits	-	-	10,923	(10,923)
Purchased Services	-	50,000	83,121	(33,121)
Capital Outlay	3,372,171	8,500,000	5,514,831	2,985,169
Total Expenditures	<u>3,372,171</u>	<u>8,550,000</u>	<u>5,640,029</u>	<u>2,909,971</u>
Excess of Revenues Over (Under) Expenditures	(2,152,671)	(7,500,876)	(4,555,661)	2,945,215
Bond Proceeds, Net of Premium	1,625,000	31,800,000	36,313,999	4,513,999
Bond Issue Costs	(40,000)	(150,000)	(325,200)	(175,200)
Bond Redemption	-	(2,025,000)	-	2,025,000
Transfers In (Out)	300,000	-	(5,750)	(5,750)
Surplus/(Deficit) – Budgetary Basis	<u>\$ (267,671)</u>	<u>\$ 22,124,124</u>	<u>\$ 31,427,388</u>	<u>\$ 9,303,264</u>
Fund Balances:				
Fund Balance – Beginning	\$ 269,753	\$ 37,985	\$ 85,670	\$ 47,685
Surplus/(Deficit)	<u>(267,671)</u>	<u>22,124,124</u>	<u>31,427,388</u>	<u>9,303,264</u>
Fund Balance – Ending	<u>\$ 2,082</u>	<u>\$ 22,162,109</u>	<u>\$ 31,513,058</u>	<u>\$ 9,350,949</u>
Budgetary Expenditures	\$ 3,372,171	\$ 8,550,000		
Bond Issue Costs	40,000	150,000		
Bond Redemption	-	2,025,000		
Budget Appropriated Fund Balance	<u>-</u>	<u>22,162,109</u>		
Total Appropriation	<u>\$ 3,412,171</u>	<u>\$ 32,887,109</u>		

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

SUPPLEMENTARY INFORMATION

GENERAL FUND
(DETAIL BUDGET)

TELLURIDE SCHOOL DISTRICT R-1
DETAIL SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
BUDGETARY REVENUES:			
Revenue from Local Sources and Interest:			
Property Taxes	\$ 12,408,437	\$ 12,411,920	\$ 3,483
Specific Ownership Taxes	558,456	549,250	(9,206)
Grants and Contributions	340,442	362,656	22,214
Tuition and Fees	209,000	287,712	78,712
Rental Income	125,000	147,401	22,401
Other Local Revenues	61,000	8,002	(52,998)
Interest Earnings	225,000	255,697	30,697
Total Local Sources and Interest:	<u>13,927,335</u>	<u>14,022,638</u>	<u>95,303</u>
Revenue from Intermediate Sources:			
Mineral Lease Revenues	4,000	3,513	(487)
Public School Lands	500	341	(159)
Total Intermediate Sources	<u>4,500</u>	<u>3,854</u>	<u>(646)</u>
Revenue from State Sources:			
State Equalization	3,141,500	3,142,679	1,179
ELPA Grants	29,700	30,165	465
Read Act Grants	6,807	6,985	178
Library Grant	4,500	4,500	-
Small Rural Schools Grant	308,795	306,880	(1,915)
Lead Remediation	-	1,508	1,508
Comprehensive Health Education	30,000	30,000	-
School Safety	10,050	18,050	-
At Risk Supplemental Grant	2,500	2,687	187
Emergency Responder Access	36,565	36,565	-
New Arrival Students	-	72,048	72,048
Universal Pre-K	172,000	218,846	46,846
Vocational Education	37,500	39,917	2,417
PERA-on-Behalf Funding	550,000	40,822	(509,178)
Total State Sources	<u>4,337,917</u>	<u>3,951,652</u>	<u>(386,265)</u>
Revenue from Federal Sources:			
Title I	78,317	78,317	-
Title II A – Teacher Quality	16,939	16,939	-
Title III – Immigration/Part A/Formula	16,637	24,487	7,850
Title IV – Rural Education & Part A	10,000	10,000	-
ESSER II Rapid Request	-	90,000	90,000
ESSER III Rapid Request	-	28,725	28,725
ESSER III ELO Summer Program	27,000	45,688	18,688
ESSER III ELO After School	31,000	28,042	(2,958)
Carl Perkins Grant	13,800	13,800	-
REAP Grant	30,919	37,836	6,917
National Forest Land Payments: Secure Rural Schools	25,000	22,699	(2,301)
SNAP P-EBT Program	-	800	800
Childcare Stability Grant	-	7,023	7,023
CDPHE Beh. Health/Nursing	403,308	254,714	(148,594)
CLSD CO Comp State Literacy Grant	373,645	286,242	(87,403)
Total Federal Sources	<u>1,026,565</u>	<u>945,312</u>	<u>(81,253)</u>
TOTAL BUDGETARY REVENUES	19,296,317	18,923,456	(372,861)
Transfers In	-	-	-
BUDGETARY REVENUES AND TRANSFERS	<u>\$ 19,296,317</u>	<u>\$ 18,923,456</u>	<u>\$ (372,861)</u>

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

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
BUDGETARY EXPENDITURES:			
INSTRUCTION:			
Salaries	\$ 7,126,769	\$ 6,974,346	\$ 152,423
Employee Benefits	2,659,187	2,235,693	423,494
Purchased Services	280,167	287,591	(7,424)
Supplies and Materials	342,341	296,032	46,309
Capital Outlay	104,720	217,479	(112,759)
Other Expenditures	<u>800</u>	<u>779</u>	<u>21</u>
TOTAL INSTRUCTION	<u>10,513,984</u>	<u>10,011,920</u>	<u>502,064</u>
GENERAL SUPPORTING SERVICES:			
<i>Student Support:</i>			
Salaries	971,451	864,767	106,684
Employee Benefits	395,395	292,572	102,823
Purchased Services	163,765	208,031	(44,266)
Supplies and Materials	<u>33,765</u>	<u>25,303</u>	<u>8,462</u>
Subtotal	<u>1,564,376</u>	<u>1,390,673</u>	<u>173,703</u>
<i>Instructional Staff:</i>			
Salaries	1,095,802	1,134,041	(38,239)
Employee Benefits	401,651	346,863	54,788
Purchased Services	433,411	398,102	35,309
Supplies and Materials	67,955	78,507	(10,552)
Capital Outlay	200,000	205,757	(5,757)
Other Objects	<u>-</u>	<u>17,860</u>	<u>(17,860)</u>
Subtotal	<u>2,198,819</u>	<u>2,181,130</u>	<u>17,689</u>
<i>General Administration:</i>			
Salaries	247,688	244,011	3,677
Employee Benefits	91,304	74,703	16,601
Purchased Services	212,900	192,987	19,913
Supplies and Materials	34,900	29,457	5,443
Other Expenditures	<u>13,600</u>	<u>13,275</u>	<u>325</u>
Subtotal	<u>600,392</u>	<u>554,433</u>	<u>45,959</u>
<i>School Administration:</i>			
Salaries	616,693	626,052	(9,359)
Employee Benefits	301,525	266,276	35,249
Purchased Services	17,400	9,763	7,637
Supplies and Materials	22,700	29,443	(6,743)
Other Expenditures	<u>2,500</u>	<u>1,119</u>	<u>1,381</u>
Subtotal	<u>960,818</u>	<u>932,653</u>	<u>28,165</u>
TOTAL GENERAL SUPPORT	<u>5,324,405</u>	<u>5,058,889</u>	<u>265,516</u>

(continued on next page)

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

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

<i>(continued)</i>	Budget	Actual	Variance Favorable (Unfavorable)
BUSINESS SUPPORTING SERVICES:			
<i>Business Services:</i>			
Salaries	\$ 234,030	\$ 238,093	\$ (4,063)
Employee Benefits	116,225	104,775	11,450
Purchased Services	23,000	17,077	5,923
Supplies and Materials	2,000	1,505	495
Other Expenditures	20,983	16,355	4,628
Subtotal	396,238	377,805	18,433
<i>Operations and Maintenance:</i>			
Salaries	338,708	329,162	9,546
Employee Benefits	154,025	121,996	32,029
Purchased Services	1,118,050	961,210	156,840
Supplies and Materials	467,795	438,708	29,087
Capital Outlay	337,770	190,359	147,411
Other Expenditures	100	380	(280)
Subtotal	2,416,448	2,041,815	374,633
TOTAL BUSINESS SUPPORT	2,812,686	2,419,620	393,066
CENTRAL SUPPORTING SERVICES:			
Salaries	83,840	83,840	-
Employee Benefits	60,038	54,902	5,136
Purchased Services	271,364	278,055	(6,691)
Supplies and Materials	51,100	63,112	(12,012)
Other Expenditures	-	4,494	(4,494)
TOTAL CENTRAL SUPPORT	466,342	484,403	(18,061)
OTHER FINANCING USES:			
Transfers Out	675,000	685,000	(10,000)
TOTAL BUDGETARY EXPENDITURES	19,792,417	18,659,832	1,132,585
APPROPRIATED FUND BALANCE:			
Appropriated Fund Balance	4,971,315	-	4,971,315
TOTAL BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ 24,763,732	\$ 18,659,832	\$ 6,103,900

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education
Auditors Integrity Report
 District 2830 - Telluride R-1
 Fiscal Year 2023-24
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6795 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	5,471,164		18,236,456	17,974,832		5,734,788
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub- Total	5,471,164		18,236,456	17,974,832		5,734,788
11 Charter School Fund	0		0	0		0
20,26-29 Special Revenue Fund	76,566		459,575	495,204		40,937
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	76,832		441,862	458,287		60,428
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	6,860		664,096	667,538		3,418
25 Transportation Fund	77,883		389,970	444,560		23,292
31 Bond Redemption Fund	2,998,547		3,928,131	2,193,628		4,733,050
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	85,670		37,392,618	5,965,220		31,513,058
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	8,793,522		61,514,728	28,199,280		42,108,971
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60,65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 2830 - Telluride R-1
 Fiscal Year 2023-24
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	7,025,611	0	0	228,522	0	0	90,988	4,552,543	32,632,063	0	0	0	0	0	0	44,529,727
Cash with Fiscal Agent (8105)	71,947	0	0	1,633	0	0	0	19,326	0	0	0	0	0	0	0	92,905
Taxes Receivable (8121,8122)	824,084	0	0	19,475	0	0	0	254,129	0	0	0	0	0	0	0	1,097,688
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	401,069	0	0	0	0	0	0	0	745,989	0	0	0	0	0	0	1,147,058
Other Receivables (8151-8154,8161)	21,632	0	0	24,284	0	0	112	0	0	0	0	0	0	0	0	46,029
Inventories (8171,8172,8173)	0	0	0	0	0	0	7,251	0	0	0	0	0	0	0	0	7,251
Prepaid Expenses 8181,8182)	34,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,189
Other Current Assets (8191-8194,8199)	0	0	0	1,500	0	0	0	0	0	0	0	0	0	0	0	1,500
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	8,378,532	0	0	275,414	0	0	98,352	4,825,999	33,378,052	0	0	0	0	0	0	46,956,348

	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	293,572	0	0	44,117	0	0	2,223	0	1,864,185	0	0	0	0	0	2,204,095
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	1,374,484	0	0	18,853	0	0	17,117	0	0	0	0	0	0	0	1,410,454
Payroll Ded. and Withholdings (7471-7473)	488,039	0	0	7,643	0	0	4,728	0	809	0	0	0	0	0	501,219
Unearned Revenue (7481)	55,625	0	0	100,013	0	0	13,857	0	0	0	0	0	0	0	169,495
Grants Deferred Revenue (7482)	97,114	0	0	0	0	0	0	0	0	0	0	0	0	0	97,114
Other Current Liabilities (7491,7492,7499)	33,500	0	0	30,018	0	0	0	0	0	0	0	0	0	0	63,518
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	301,410	0	0	7,123	0	0	0	92,948	0	0	0	0	0	0	401,482
Total Liabilities	2,643,744	0	0	207,767	0	0	37,924	92,948	1,864,994	0	0	0	0	0	4,847,377

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	34,189	0	0	0	0	0	7,251	0	0	0	0	0	0	0	0	41,441
Restricted Fund Balance 6720	0	0	0	23,292	0	0	53,176	4,733,050	27,225,523	0	0	0	0	0	0	32,035,041
TABOR 3% Emergency Reserve 6721	512,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	512,500
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Universal Preschool Program (UPK) Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	1,148,931	0	0	44,355	0	0	0	0	0	0	0	0	0	0	0	1,193,286
Assigned Fund Balance 6760	4,031,550	0	0	0	0	0	0	0	4,287,535	0	0	0	0	0	0	8,319,085
Unassigned Fund Balance 6770	7,618	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,618
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	5,734,788	0	0	67,647	0	0	60,428	4,733,050	31,513,058	0	0	0	0	0	0	42,108,971

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	8,378,532	0	0	275,414	0	0	98,352	4,825,999	33,378,052	0	0	0	0	0	0	46,956,248

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

Board of Education
Telluride School District R-1
Telluride, Colorado

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Telluride School District No. R-1 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report dated February 7, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maggard & Hood, P.C." in a cursive style.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
February 7, 2025

Board of Education
Telluride School District R-1
Telluride, Colorado

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited the compliance of the Telluride School District R-1 (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Telluride School District R-1 and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management of the Telluride School District R-1 is responsible for compliance with the requirements referred to above for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Telluride School District R-1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Telluride School District R-1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Telluride School District R-1 as of and for the year ended June 30, 2024, and have issued our report thereon dated February 7, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
February 7, 2025

TELLURIDE SCHOOL DISTRICT R-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued.....	Unmodified
Internal control over financial reporting:	
Material weaknesses identified.....	None noted
Significant deficiency identified.....	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weaknesses identified.....	None noted
Significant deficiency identified.....	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200.....	None noted

Major programs:

Covid-19, Education Stabilization Fund (ESF):

Elementary & Secondary School Emergency Relief (ARP ESSER II)	
Late Liquidation Rapid Request	ALN 84.425D
Elementary & Secondary School Emergency Relief (ARP ESSER III):	
ELO Summer School.....	ALN 84.425U
ELO Afterschool	ALN 84.425U
Rapid Request Learning Loss.....	ALN 84.425U

Covid-19, State and Local Fiscal Recovery Funds (SLFRF)

CDHPE – Behavioral Health	ALN 21.027
CDHPE – Nursing Grant	ALN 21.027

Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee.....	No

PART II: FINDINGS RELATED TO FINANCIAL STATEMENTS

Findings related to financial statements as required by Government Auditing Standards.....	None noted
Auditor-assigned reference number.....	Not applicable

PART III: FINDINGS REALTED TO FEDERAL AWARDS

Internal control findings	None noted
Compliance findings.....	None noted
Questioned costs.....	None noted

TELLURIDE SCHOOL DISTRICT R-1
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings for the fiscal year ended June 30, 2023.

TELLURIDE SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Grant Project Code</u>	<u>Expenditures</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
<i>Passed through State Department of Education:</i>			
Title I, Part A, Improving Basic Programs Operated by Schools	84.010	4010	\$ 78,317
Title II-A, Teacher & Principal Training and Recruiting Fund	84.367	4367	16,939
Title III-A, English Language Acquisition Grants	84.365	4365	19,856
Title III-A, Set-Aside – Immigr.	84.365	4365	4,631
Title IV-A, Student Support & Academic Enrichment	84.424A	4424	10,000
Comprehensive Literacy State Development Grant	84.371C	5371	286,242
<i>COVID-19-Education Stabilization Fund (ESF):</i>			
ESSER, Elementary & Secondary Emergency Relief –			
ESSER II, Late Liquidation Rapid Request	84.425D	4463	28,725 *
ESSER III, Education Stabilization Fund: ELO Summer School	84.425U	4438	45,688 *
ESSER III, Education Stabilization Fund: ELO AfterSchool	84.425U	4449	28,042 *
ESSER III, Rapid Request Learning Loss	84.425U	4462	90,000 *
<i>Passed through Colorado Colleges and Occupational System:</i>			
Strengthening Career & Technical Education for the 21 st Century (Perkins V)	84.048	4048	13,800
<i>U.S. Department of Education Direct Distribution:</i>			
Title VI-B, Small Rural Achievement Program (REAP)	84.358	4358	<u>37,836</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>660,076</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through State Department of Health & Human Services:</i>			
Child Care and Development Block Grant– Childcare Stabilization Fund	93.575	7575	<u>7,023</u>
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>7,023</u>
<u>UNITED STATES TREASURY</u>			
<i>Passed through State Department of Public Health:</i>			
<i>COVID-19-State and Local Fiscal Recovery Funds (SLFRF):</i>			
CDPHE - Behavioral Health	21.027	7129	215,677 *
CDPHE – Nursing Grant	21.027	7131	<u>39,037 *</u>
TOTAL UNITED STATES TREASURY			<u>254,714</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through State of Colorado Department of Natural Resources:</i>			
National Forest Land Payments: Secure Rural Schools	10.665	7665	22,699
<i>Passed through Colorado Department of Human Services:</i>			
Food Distribution Commodities	10.555	4555	18,836 (A)
<i>Passed through State Department of Education:</i>			
Local Food for Schools Cooperative	10.185	4185	1,748 (A)
School Breakfast Program	10.553	4555	33,282 (A)
National School Lunch Program	10.555	4555	80,376 (A)
Supply Chain Assistance (SCA)	10.555	4555	22,568 (A)
Summer EBT - Admin	10.649	4646	<u>800 (A)</u>
TOTAL UNITED STATES TREASURY			<u>180,309</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 1,102,122</u>

* Denotes Major Program

(A) Child Nutrition Cluster - Total \$157,610.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Telluride School District R-1 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2 -- Basis of Determining the Value of Non-cash Awards Expended

Food Distribution Commodities: Fair market value at the time recipient received award and assessed value provided by the federal agency.

Note 3 - Sub-recipients:

The District did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards received to sub-recipients.

Note 4 -- Indirect Facilities and Administrative Costs

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 US Code of Federal Regulations (CFR), Part 200.414 Indirect (F&A) costs.