

**STRASBURG SCHOOL DISTRICT 31-J
STRASBURG, COLORADO**

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

JUNE 30, 2024

STRASBURG SCHOOL DISTRICT 31-J

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Strasburg School District 31-J
Strasburg, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Strasburg School District 31-J (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

DMC Auditing and Consulting, LLC

February 21, 2025
Bailey, Colorado



Strasburg School District 31J

Management's Discussion and Analysis For Fiscal Year Ended June 30, 2024

This is a Management Discussion and Analysis (MD&A) provides an overview of the financial activities of Strasburg School District 31J (the "District") for the fiscal year ended June 30, 2024. It is intended to assist the reader in interpreting the financial statements and assessing the financial health of the District. The MD&A follows the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*.

Financial Highlights

- **Government-wide Activities:** The District's net position totaled \$9,932,970 at the end of the 2024, compared to \$8,982,610 at the end of the previous fiscal year. This represents an increase of \$950,360.
- **Total Assets:** Governmental fund assets (General, Bond Redemption, & Non-Major Government Funds) increased to \$10,918,216, compared to \$10,874,619 in the prior year.
- **General Fund Balance:** The General Fund Balance grew to \$6,072,753 from \$5,650,658 in the prior year, reflecting a net increase of \$422,095.
- **Revenues:** General Fund total revenues for the year amounted to \$15,037,113, compared to \$13,812,145 in the previous year.
- **Expenditures:** Total Expenditures increased to \$16,859,691, compared to \$14,094,145 in the prior year, primarily due to increases in compensation costs.
- **Long-Term Liabilities:** The District reduced its bond obligations, with total outstanding long-term liabilities decreasing to \$25,749,140 from \$26,717,636 in the prior year.

Overview of Financial Statements

The MD&A serves as an introduction to the District's financial statements, which comprise:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the District's financial status in a manner similar to a private-sector business.

- **Statement of Net Position:** Reports the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of June 30, 2024.

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Current and Other Assets	10,918,216	10,874,619
Capital Assets, Net	<u>41,358,682</u>	<u>39,292,299</u>
Total Assets	<u>52,276,898</u>	<u>50,166,918</u>
Deferred Outflows of Resources	<u>5,389,829</u>	<u>4,450,200</u>
LIABILITIES		
Current and Other Liabilities	2,794,050	1,780,445
Long-Term Liabilities	<u>44,626,884</u>	<u>43,112,528</u>
Total Liabilities	<u>47,420,934</u>	<u>44,892,973</u>
Deferred Inflows of Resources	<u>312,823</u>	<u>741,535</u>
NET POSITION		
Net Investment in Capital Assets	15,967,348	18,937,449
Restricted for:		
Debt Service	2,132,176	511,000
Emergencies	528,000	2,333,777
Food Service	35,708	4,219
Unrestricted	<u>(8,730,262)</u>	<u>(12,803,835)</u>
Total Net Position	<u>9,932,970</u>	<u>8,982,610</u>

- **Statement of Activities:** Shows changes in the net position due to revenues and expenditures.

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
REVENUES		
Charges for Services	815,724	918,543
Operating Grants and Contributions	2,381,566	1,732,532
Grants and Contributions	5,523	819,172
Property Taxes	5,315,820	5,059,635
Specific Ownership Taxes	437,032	284,531
State Equalization	8,559,167	7,962,953
Investment Income	287,556	234,555
Insurance Proceeds	2,244,673	-
Other	78,142	396,020
Total Revenues	<u>20,125,203</u>	<u>17,407,941</u>
EXPENSES		
Instruction	10,375,562	8,810,740
Supporting Services	7,364,788	6,337,019
Food Services	819,215	606,051
Interest on Long-Term Debt	615,278	631,504
Total Expenses	<u>19,174,843</u>	<u>16,385,314</u>
Change in Net Position	<u>950,360</u>	<u>1,022,627</u>
Net Position, Beginning	<u>8,982,610</u>	<u>7,959,983</u>
Net Position, Ending	<u>9,932,970</u>	<u>8,982,610</u>

Fund Financial Statements

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources.

- The **General Fund Balance** increased by \$422,095, reaching \$6,072,753 at year-end.
- The **Debt Service Fund** had an ending balance of \$2,180,196.
- The **Building Fund** reported a decrease of \$1,441,851 due to capital project expenditures.

Capital Asset and Debt Administration

- **Capital Assets:** The District’s capital assets increased to \$41,358,682, up from \$39,292,298 in the prior year, due to ongoing school construction and improvement projects.

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 796,786	\$ -	\$ -	\$ 796,786
Construction in Progress	-	2,975,585	-	2,975,585
Total Capital Assets, Not Being Depreciated	796,786	2,975,585	-	3,772,371
Capital Assets, Being Depreciated:				
Buildings and Site Improvements	48,154,379	8,017	-	48,162,396
Equipment	1,244,432	-	7,448	1,236,984
Vehicles	1,209,316	128,083	-	1,337,399
Food Service Equipment	143,783	-	-	143,783
Total Capital Assets, Being Depreciated	50,751,910	136,100	7,448	50,880,562
Less Accumulated Depreciation:				
Buildings and Site Improvements	(10,158,959)	(920,462)	-	(11,079,421)
Equipment	(1,070,588)	(45,569)	(7,448)	(1,108,709)
Vehicles	(890,428)	(76,305)	-	(966,733)
Food Service Equipment	(136,423)	(2,965)	-	(139,388)
Total Accumulated Depreciation	(12,256,398)	(1,045,301)	(7,448)	(13,294,251)
Total Capital Assets, Being Depreciated, Net	38,495,512	(909,201)	-	37,586,311
Capital Assets, Governmental Activities, Net	\$ 39,292,298	\$ 2,066,384	\$ -	\$ 41,358,682

- **Long-Term Debt:** General obligation bond payable decreased to \$21,420,000 from \$22,195,000 due to scheduled repayments.

Economic Factors and Budget Considerations

- Colorado School Districts are largely funded by state revenue backfilling the gap between local property tax revenue.
- Declining enrollment has reduced funding received by the District in the past couple years.
- District has strategically leveraged grant funding for technology and special programs.
- The District’s financial policies ensure that a healthy fund balance is maintained, with a target reserve of at least 15% of General Fund Expenditures.

Contacting the District’s Financial Management

The District remains in a strong financial position, with growing revenues and responsible fiscal management. Future planning efforts will focus on maintaining financial stability, accommodating student growth, and addressing facility needs. For further inquiries, contact the Executive Director, Finance and Operations, Strasburg School District 31J, 2102 Wagner Street, Strasburg Co. 80136.

BASIC FINANCIAL STATEMENTS

STRASBURG SCHOOL DISTRICT 31J

STATEMENT OF NET POSITION

June 30, 2024

	<u>PRIMARY GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 10,588,962
Accounts Receivable	41,170
Grants Receivable	85,067
Taxes Receivable	185,147
Inventories	17,870
Capital Assets, <i>Not Being Depreciated</i>	3,772,371
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>37,586,311</u>
TOTAL ASSETS	<u>52,276,898</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	5,155,275
OPEB, <i>Net of Accumulated Amortization</i>	174,326
Loss on Refunding, <i>Net of Accumulated Amortization</i>	<u>60,228</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,389,829</u>
LIABILITIES	
Accounts Payable	1,286,462
Retainage Payable	55,565
Accrued Salaries and Benefits	557,072
Unearned Revenue	19,168
Accrued Interest Payable	75,783
Noncurrent Liabilities	
Due Within One Year	800,000
Due in More Than One Year	24,949,140
Net Pension Liability	19,213,809
Net OPEB Liability	<u>463,935</u>
TOTAL LIABILITIES	<u>47,420,934</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	130,897
OPEB, <i>Net of Accumulated Amortization</i>	<u>181,926</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>312,823</u>
NET POSITION	
Net Investment in Capital Assets	15,967,348
Restricted for:	
Debt Service	2,132,176
Emergencies	528,000
Food Service	35,708
Unrestricted	<u>(8,730,262)</u>
TOTAL NET POSITION	<u>\$ 9,932,970</u>

STRASBURG SCHOOL DISTRICT 31J
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
Governmental Activities	EXPENSES	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	GOVERNMENTAL ACTIVITIES
Instruction	\$ 10,375,562	\$ 415,206	\$ 1,349,904	\$ (8,610,452)
Supporting Services	7,364,788	366,814	241,180	(6,751,271)
Food Services	819,215	33,704	790,482	4,971
Interest on Long-Term Debt	<u>615,278</u>	<u>-</u>	<u>-</u>	<u>(615,278)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 19,174,843</u>	<u>\$ 815,724</u>	<u>\$ 2,381,566</u>	<u>(15,972,030)</u>
GENERAL REVENUES				
Local Property Taxes				5,315,820
Specific Ownership Taxes				437,032
State Equalization				8,559,167
Grants and Contributions not Restricted to Specific Programs				78,142
Investment Income				287,556
Insurance Proceeds				<u>2,244,673</u>
TOTAL GENERAL REVENUES				<u>16,922,390</u>
CHANGE IN NET POSITION				950,360
NET POSITION, Beginning				<u>8,982,610</u>
NET POSITION, Ending				<u>\$ <u>9,932,970</u></u>

STRASBURG SCHOOL DISTRICT 31J

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>BUILDING</u>
ASSETS			
Cash and Investments	\$ 6,977,590	\$ 2,157,040	\$ 628,435
Accounts Receivable	41,170	-	-
Taxes Receivable	134,228	50,919	-
Grants Receivable	85,067	-	-
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 7,238,055</u>	<u>\$ 2,207,959</u>	<u>\$ 628,435</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 554,827	\$ -	\$ 731,635
Retainage Payable	-	-	55,565
Accrued Salaries and Benefits	536,369	-	-
Unearned Revenue	5,738	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,096,934</u>	<u>-</u>	<u>787,200</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>68,368</u>	<u>27,763</u>	<u>-</u>
FUND BALANCES			
Nonspendable Inventories	-	-	-
Restricted for:			
Debt Service	-	2,180,196	-
Emergencies	528,000	-	-
Food Service	-	-	-
Committed to Capital Outlay	-	-	-
Assigned to Pupil Activities	-	-	-
Unassigned	<u>5,544,753</u>	<u>-</u>	<u>(158,765)</u>
TOTAL FUND BALANCES	<u>6,072,753</u>	<u>2,180,196</u>	<u>(158,765)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,238,055</u>	<u>\$ 2,207,959</u>	<u>\$ 628,435</u>

NONMAJOR
GOVERNMENTAL

<u>FUNDS</u>	<u>TOTAL</u>
\$ 825,897	\$ 10,588,962
-	41,170
-	185,147
-	85,067
17,870	17,870
<u>\$ 843,767</u>	<u>\$ 10,918,216</u>
\$ -	\$ 1,286,462
-	55,565
20,703	557,072
13,430	19,168
34,133	1,918,267
-	96,131
17,870	17,870
-	2,180,196
-	528,000
35,708	35,708
568,578	568,578
187,478	187,478
-	5,385,988
809,634	8,903,818
<u>\$ 843,767</u>	<u>\$ 10,918,216</u>

STRASBURG SCHOOL DISTRICT 31J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total Fund Balances of Governmental Funds	\$	8,903,818
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		41,358,682
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		96,131
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(75,783)
Bonds Payable		(21,420,000)
Loss on Debt Refunding		60,228
Bond Premium		(4,190,327)
Accrued Compensated Absences		(138,813)
Net Pension Liability		(19,213,809)
Pension-Related Deferred Outflows of Resources		5,155,275
Pension-Related Deferred Inflows of Resources		(130,897)
Net OPEB Liability		(463,935)
OPEB-Related Deferred Outflows of Resources		174,326
OPEB-Related Deferred Inflows of Resources		(181,926)
		(181,926)
Total Net Position of Governmental Activities	\$	9,932,970

STRASBURG SCHOOL DISTRICT 31J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL	DEBT SERVICE	BUILDING
REVENUES			
Local Sources	\$ 4,886,197	\$ 1,540,507	\$ 64,604
State Sources	9,958,104	-	-
Federal Sources	192,147	-	-
TOTAL REVENUES	15,037,113	1,540,507	64,604
EXPENDITURES			
Current			
Instruction	8,282,295	-	-
Supporting Services	8,577,396	-	-
Food Services	-	-	-
Capital Outlay	-	-	1,506,455
Debt Service			
Principal	-	775,000	-
Interest and Fiscal Charges	-	919,088	-
TOTAL EXPENDITURES	16,859,691	1,694,088	1,506,455
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(1,822,578)	(153,581)	(1,441,851)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	2,244,673	-	-
CHANGE IN FUND BALANCES	422,095	(153,581)	(1,441,851)
FUND BALANCES, Beginning	5,650,658	2,333,777	1,283,086
FUND BALANCES, Ending	\$ 6,072,753	\$ 2,180,196	\$ (158,765)

NONMAJOR GOVERNMENTAL	
<u>FUNDS</u>	<u>TOTAL</u>
\$ 412,032	\$ 6,903,340
358,766	10,316,870
<u>432,277</u>	<u>624,424</u>
 1,203,075	 17,845,299
 370,274	 8,652,569
-	8,577,396
788,485	788,485
-	1,506,455
-	775,000
<u>-</u>	<u>919,088</u>
 1,158,759	 21,218,993
 <u>44,316</u>	 <u>(3,373,694)</u>
 <u>-</u>	 <u>2,244,673</u>
 44,316	(1,129,021)
<u>765,318</u>	<u>10,032,839</u>
 <u>\$ 809,634</u>	 <u>\$ 8,903,818</u>

STRASBURG SCHOOL DISTRICT 31J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

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

Net Change in Fund Balances of Governmental Funds	\$ (1,129,021)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:	
Depreciation Expense	(1,045,301)
Capital Outlay	3,111,684
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	
	35,231
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	
	775,000
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items as follows:	
Amortization of Bond Premiums and Deferred Refunding	302,195
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:	
Accrued Interest Payable	1,615
Accrued Compensated Absences	8,354
Net Pension Liability	(2,609,453)
Pension-Related Deferred Outflows of Resources	1,018,742
Pension-Related Deferred Inflows of Resources	409,053
Net OPEB Liability	101,601
OPEB-Related Deferred Outflows of Resources	(48,999)
OPEB-Related Deferred Inflows of Resources	19,659
<u>Change in Net Position of Governmental Activities</u>	<u>\$ 950,360</u>

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Strasburg School District 31-J (the District) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District. The District has no other legally separate organizations that are required to be reported.

Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for the governmental funds, blended component units, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

The *Building Fund* is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings.

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

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

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

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

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

Cash and Investments – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

Buildings and Site Improvements	5 – 40 years
Equipment	3 – 20 years
Vehicles	5 – 10 years

Subscription-based information technology assets (SBITAs) are reported in the government-wide financial statements. SBITAs are recognized as multi-year noncancellable agreements amortized over the period of the agreement on a straight-line basis.

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

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

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

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the District that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

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

Compensated Absences – Personnel accrue discretionary days based on the number of days worked in a year. Employees may accumulate up to 60 days of leave. Unused accumulated leave benefits are paid upon separation/termination at \$50 per day. These compensated absences are recognized as expenditures in the governmental funds when due. Long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Property Taxes

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

NOTE 2: Cash and Investments

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

Deposits	\$ 7,692,253
Investments	2,896,709
	\$ 10,588,962
	\$ 10,588,962

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of \$5,552,252 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

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

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

Fair Value Measurements - At June 30, 2024, the District's investments in the local government investment pool reported at the net asset value per share. The District's money markets were measured utilizing the fair value hierarchy at Level 2 as inputs other than quoted prices.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

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

Local Government Investment Pools - At June 30, 2024, the District had \$2,896,709 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at \$1. The Pool is rated AAAM by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

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

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 796,786	\$ -	\$ -	\$ 796,786
Construction in Progress	-	2,975,585	-	2,975,585
Total Capital Assets, Not Being Depreciated	<u>796,786</u>	<u>2,975,585</u>	<u>-</u>	<u>3,772,371</u>
Capital Assets, Being Depreciated:				
Buildings and Site Improvements	48,154,379	8,017	-	48,162,396
Equipment	1,244,432	-	7,448	1,236,984
Vehicles	1,209,316	128,083	-	1,337,399
Food Service Equipment	143,783	-	-	143,783
Total Capital Assets, Being Depreciated	<u>50,751,910</u>	<u>136,100</u>	<u>7,448</u>	<u>50,880,562</u>
Less Accumulated Depreciation:				
Buildings and Site Improvements	(10,158,959)	(920,462)	-	(11,079,421)
Equipment	(1,070,588)	(45,569)	(7,448)	(1,108,709)
Vehicles	(890,428)	(76,305)	-	(966,733)
Food Service Equipment	(136,423)	(2,965)	-	(139,388)
Total Accumulated Depreciation	<u>(12,256,398)</u>	<u>(1,045,301)</u>	<u>(7,448)</u>	<u>(13,294,251)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,495,512</u>	<u>(909,201)</u>	<u>-</u>	<u>37,586,311</u>
Capital Assets, Governmental Activities, Net	<u>\$ 39,292,298</u>	<u>\$ 2,066,384</u>	<u>\$ -</u>	<u>\$ 41,358,682</u>

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 3: Capital Assets (Continued)

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

Instruction	\$ 1,031,808
Supporting Services	10,528
Food Services	<u>2,965</u>
Total	<u><u>\$ 1,045,301</u></u>

NOTE 4: Long-Term Debt

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

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Governmental Activities					
G.O. Bond, Series 2012	\$ 2,395,000	\$ -	\$ 775,000	\$ 1,620,000	\$ 800,000
G.O. Bond, Series 2021	19,800,000	-	-	19,800,000	-
Bond Premiums	4,522,636	-	332,309	4,190,327	-
Compensated Absences	<u>147,167</u>	<u>-</u>	<u>8,354</u>	<u>138,813</u>	<u>-</u>
Total	<u><u>\$ 26,864,803</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,115,663</u></u>	<u><u>\$ 25,749,140</u></u>	<u><u>\$ 800,000</u></u>

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

On March 21, 2012, the District issued General Obligation Bonds, Series 2012, in the amount of \$5,990,000 to advance refund the General Obligation Bonds, Series 2006, and obtain lower interest rate cost for the District. Principal payments are due annually on December 1, through 2025. Principal payments will begin December 2012. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at a fixed rates of 2% to 3% per annum. The General Obligation Bonds, Series 2006, is considered to be fully defeased. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

On January 13, 2021, the District issued General Obligation Bonds, Series 2023, in the amount of \$19,800,000 for the purpose of providing matching money required for the District to receive \$3,699,809 in State of Colorado Building Excellent Schools Today (BEST) grant program and construct, renovate, remodel, and equip upgrades to the high school and various District schools. This includes the construction, renovation, remodeling, and equipping an addition to the elementary school and reconfiguring bus and drop-off areas and playground expansion at the elementary school and middle school sites. Principal payments are due annually on December 1, through 2045. Principal payments will begin December 2026. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at a fixed rates of 4% to 5% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: Long-Term Debt (Continued)

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 800,000	\$ 897,400	\$ 1,697,400
2026	820,000	873,100	1,693,100
2027	620,000	845,300	1,465,300
2028	650,000	813,550	1,463,550
2029	685,000	780,175	1,465,175
2030-2034	3,970,000	3,338,250	7,308,250
2035-2039	4,990,000	2,306,925	7,296,925
2040-2044	6,090,000	1,187,000	7,277,000
2045-2046	2,795,000	112,900	2,907,900
Total	<u>\$ 21,420,000</u>	<u>\$ 11,154,600</u>	<u>\$ 32,574,600</u>

NOTE 5: Risk Management

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

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

NOTE 6: Defined Benefit Pension Plan

General Information

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

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

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

Contributions provisions as of June 30, 2024 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2023, through June 30, 2024. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The District's contributions to the SDTF for the year ended June 30, 2024, were \$1,594,292, equal to the required contributions.

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

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

At December 31, 2023, the District's proportion was 0.1086543582%, which was an increase of 0.0174690525% from its proportion measured at December 31, 2023.

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

District's proportionate share of the net pension liability	\$ 19,213,809
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>421,302</u>
Total	<u><u>\$ 19,635,111</u></u>

For the year ended June 30, 2024, the District recognized pension expense of \$2,785,585 and a revenue of (\$32,099) for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 911,100	\$ -
Net difference between projected and actual earnings on plan investments	1,377,333	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,058,925	130,897
Contributions subsequent to the measurement date	<u>807,917</u>	<u>-</u>
Total	<u><u>\$ 5,155,275</u></u>	<u><u>\$ 130,897</u></u>

District contributions subsequent to the measurement date of \$807,917 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

<u>Year Ended June 30,</u>	
2025	\$ 1,231,393
2026	1,818,377
2027	1,550,729
2028	<u>(384,038)</u>
Total	<u>\$ 4,216,461</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

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

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

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 25,692,059	\$ 19,213,809	\$ 13,811,732

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

NOTE 7: Postemployment Healthcare Benefits

General Information

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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

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

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 6) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2024, was \$79,793, equal to the required amount.

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

At June 30, 2024, the District reported a net OPEB liability of \$463,935, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

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

At December 31, 2023, the District's proportion was 0.0650018837%, which was a decrease of 0.0042633621% from its proportion measured at December 31, 2022.

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$15,706. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 95,090
Changes of assumptions and other inputs	5,456	49,192
Net difference between projected and actual earnings on plan investments	14,351	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	114,084	37,644
Contributions subsequent to the measurement date	40,435	-
Total	\$ 174,326	\$ 181,926

District contributions subsequent to the measurement date of \$40,435 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>			
2025		\$	(33,149)
2026			(7,520)
2027			9,631
2028			(4,743)
2029			(7,470)
2030			(4,784)
Total		\$	(48,035)

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	

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

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

Age-Related Morbidity Assumptions

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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’s actuary.

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

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

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

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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%.

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates (7.25%)</u>	<u>1% Increase in Trend Rates</u>
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	<u>\$ 450,620</u>	<u>\$ 463,935</u>	<u>\$ 478,420</u>

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 547,966</u>	<u>\$ 463,935</u>	<u>\$ 392,047</u>

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

NOTE 8: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$528,000.

Litigation

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

NOTE 9: Joint Venture

The District is a member of the East Central Board of Cooperative Services (BOCES), a joint venture of local school districts. The BOCES is governed by a board formed of one board member from each member district. The participants oversee budgeting and finance. In 2024, the District contributed \$242,766 to the BOCES.

REQUIRED SUPPLEMENTARY INFORMATION

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 4,426,755	\$ 6,709,837	\$ 4,886,197	\$ (1,823,640)
County Sources	521	665	665	-
State Grants	9,866,310	9,831,085	9,958,104	127,019
Federal Grants	104,060	157,198	192,147	34,949
TOTAL REVENUES	14,397,646	16,698,785	15,037,113	(1,661,672)
EXPENDITURES				
Current				
Instruction	8,544,886	8,545,870	8,282,295	263,575
Supporting Services				
Students	632,729	640,095	872,041	(231,946)
Instructional Staff	333,649	368,258	407,013	(38,755)
General Administration	396,272	407,534	459,119	(51,585)
School Administration	1,075,598	1,095,575	1,069,698	25,877
Business Services	259,287	262,061	236,944	25,117
Operations and Maintenance	2,259,564	2,269,551	2,119,735	149,816
Student Transportation	614,919	698,526	748,904	(50,378)
Central Support	464,957	521,757	546,470	(24,713)
Facilities Acquisition	-	2,261,943	2,117,472	144,471
Total Supporting Services	6,036,975	8,525,300	8,577,396	(52,096)
TOTAL EXPENDITURES	14,581,861	17,071,170	16,859,691	211,479
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(184,215)	(372,385)	(1,822,578)	(1,450,193)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	-	2,244,673	2,244,673
Transfers Out	-	(2,160,000)	-	2,160,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,160,000)	2,244,673	4,404,673
CHANGE IN FUND BALANCE	(184,215)	(2,532,385)	422,095	2,954,480
FUND BALANCE, Beginning	5,336,435	5,650,658	5,650,658	-
FUND BALANCE, Ending	<u>\$ 5,152,220</u>	<u>\$ 3,118,273</u>	<u>\$ 6,072,753</u>	<u>\$ 2,954,480</u>

STRASBURG SCHOOL DISTRICT 31J
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.1086543582%	0.0911853057%	0.0879283835%	0.0951899249%
District's Proportionate Share of the Net Pension Liability	\$ 19,213,809	\$ 10,232,548	\$ 14,390,797	\$ 12,318,106
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>421,302</u>	<u>1,173,031</u>	<u>-</u>	<u>1,562,390</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 19,635,111</u>	<u>\$ 11,405,579</u>	<u>\$ 14,390,797</u>	<u>\$ 13,880,496</u>
District's Covered Payroll	\$ 7,183,018	\$ 6,180,720	\$ 4,781,541	\$ 4,843,726
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267%	166%	301%	254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.74%	75.00%	67.00%	65.00%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>06/30/21</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 1,594,292	\$ 1,424,900	\$ 1,228,727	\$ 1,029,541
Contributions in Relation to the Statutorily Required Contribution	<u>(1,594,292)</u>	<u>(1,424,900)</u>	<u>(1,228,727)</u>	<u>(1,029,541)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 7,822,886	\$ 6,991,658	\$ 6,180,720	\$ 5,178,778
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
0.0824517033%	0.0820995154%	0.0957923578%	0.0835787504%	0.0990600957%	0.1056157693%
\$ 14,537,406	\$ 30,975,844	\$ 24,884,626	\$ 15,150,542	\$ 14,314,484	\$ 14,052,129
<u>1,987,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 16,525,189</u>	<u>\$ 30,975,844</u>	<u>\$ 24,884,626</u>	<u>\$ 15,150,542</u>	<u>\$ 14,314,484</u>	<u>\$ 14,052,129</u>
\$ 4,513,454	\$ 4,418,500	\$ 4,477,714	\$ 4,426,714	\$ 4,424,541	\$ 4,441,295
322%	701%	556%	342%	324%	316%
57.00%	44.00%	43.00%	59.00%	63.00%	64.00%
<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
\$ 982,899	\$ 880,188	\$ 836,192	\$ 809,220	\$ 791,419	\$ 749,264
<u>(982,899)</u>	<u>(880,188)</u>	<u>(836,192)</u>	<u>(809,220)</u>	<u>(791,419)</u>	<u>(749,264)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,067,324	\$ 4,601,035	\$ 4,435,220	\$ 4,399,925	\$ 4,462,335	\$ 4,438,370
19.40%	19.13%	18.85%	18.39%	17.74%	16.88%

STRASBURG SCHOOL DISTRICT 31J
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2024

MEASUREMENT YEAR	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
District's Proportion of the Net OPEB Liability	0.0650018837%	0.0692652458%	0.0574104560%
District's Proportionate Share of the Net OPEB Liability	\$ 463,935	\$ 495,053	\$ 523,097
District's Covered Payroll	\$ 7,183,018	\$ 6,180,720	\$ 4,781,541
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6.46%	8.01%	10.94%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16%	39.00%	33.00%
FISCAL YEAR	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS			
Statutorily Required Contribution	\$ 79,793	\$ 71,315	\$ 63,043
Contributions in Relation to the Statutorily Required Contribution	<u>(79,793)</u>	<u>(71,315)</u>	<u>(63,043)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 7,822,886	\$ 6,991,658	\$ 6,180,720
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, presentation will be shown for the years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
0.0550498453%	0.0538695660%	0.0533651760%
\$ 605,493	\$ 726,056	\$ 605,493
\$ 4,843,726	\$ 4,513,454	\$ 4,418,500
12.50%	16.09%	13.70%
24.00%	17.00%	18.00%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>
\$ 52,824	\$ 51,687	\$ 46,931
<u>(52,824)</u>	<u>(51,687)</u>	<u>(46,931)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 5,178,778	\$ 5,067,324	\$ 4,601,035
1.02%	1.02%	1.02%

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

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

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

Budget Compliance

At June 30, 2024, the District's Food Service Fund actual expenditures/expenses exceeded budgeted appropriations by \$30,056. This may be a violation of state statutes.

Accountability

At June 30, 2024, the District's Building Fund had a negative fund balance of \$158,765, which exceeded available resources. This may be a violation of state statutes. The District had a negative net position on the government-wide financial statements in the amount of \$8,511,269.

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

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

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

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

STRASBURG SCHOOL DISTRICT 31-J
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

SUPPLEMENTARY INFORMATION

STRASBURG SCHOOL DISTRICT 31J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	<u>FOOD SERVICE</u>	<u>PUPIL ACTIVITY</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 69,841	\$ 187,478	\$ 568,578	\$ 825,897
Inventories	<u>17,870</u>	<u>-</u>	<u>-</u>	<u>17,870</u>
TOTAL ASSETS	<u>\$ 87,711</u>	<u>\$ 187,478</u>	<u>\$ 568,578</u>	<u>\$ 843,767</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued Salaries and Benefits	\$ 20,703	\$ -	\$ -	\$ 20,703
Unearned Revenues	<u>13,430</u>	<u>-</u>	<u>-</u>	<u>13,430</u>
TOTAL LIABILITIES	<u>34,133</u>	<u>-</u>	<u>-</u>	<u>34,133</u>
FUND BALANCES				
Nonspendable Inventories	17,870	-	-	17,870
Restricted for Food Service	35,708	-	-	35,708
Committed to Capital Outlay	-	-	568,578	568,578
Assigned to Pupil Activities	<u>-</u>	<u>187,478</u>	<u>-</u>	<u>187,478</u>
TOTAL FUND BALANCES	<u>53,578</u>	<u>187,478</u>	<u>568,578</u>	<u>809,634</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 87,711</u>	<u>\$ 187,478</u>	<u>\$ 568,578</u>	<u>\$ 843,767</u>

STRASBURG SCHOOL DISTRICT 31J
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	<u>FOOD SERVICE</u>	<u>PUPIL ACTIVITY</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 33,704	\$ 366,814	\$ 11,514	\$ 412,032
State Sources	358,766	-	-	358,766
Federal Sources	<u>432,277</u>	<u>-</u>	<u>-</u>	<u>432,277</u>
 TOTAL REVENUES	 <u>824,747</u>	 <u>366,814</u>	 <u>11,514</u>	 <u>1,203,075</u>
EXPENDITURES				
Current				
Instruction	-	370,274	-	370,274
Food Services	<u>788,485</u>	<u>-</u>	<u>-</u>	<u>788,485</u>
 TOTAL EXPENDITURES	 <u>788,485</u>	 <u>370,274</u>	 <u>-</u>	 <u>1,158,759</u>
 CHANGE IN FUND BALANCES	 36,262	 (3,460)	 11,514	 44,316
FUND BALANCES, Beginning	<u>17,316</u>	<u>190,938</u>	<u>557,064</u>	<u>765,318</u>
FUND BALANCES, Ending	<u>\$ 53,578</u>	<u>\$ 187,478</u>	<u>\$ 568,578</u>	<u>\$ 809,634</u>

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Fees	\$ 37,530	\$ 38,800	\$ 31,499	\$ (7,301)
Miscellaneous	-	-	2,205	2,205
State Grants	354,502	300,800	358,766	57,966
Federal Grants	155,900	327,431	432,277	104,846
TOTAL REVENUES	547,932	667,031	824,747	157,716
EXPENDITURES				
Current				
Salaries	201,062	201,844	208,202	(6,358)
Benefits	46,345	53,820	54,332	(512)
Purchased Services	7,700	7,700	3,316	4,384
Supplies and Materials	292,825	495,065	522,635	(27,570)
TOTAL EXPENDITURES	547,932	758,429	788,485	(30,056)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(91,398)	36,262	127,660
OTHER FINANCING SOURCES				
Transfers In	-	100,000	-	(100,000)
CHANGE IN FUND BALANCE	-	8,602	36,262	27,660
FUND BALANCE, Beginning	25,000	17,316	17,316	-
FUND BALANCE, Ending	<u>\$ 25,000</u>	<u>\$ 25,918</u>	<u>\$ 53,578</u>	<u>\$ 27,660</u>

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 400,000	\$ 400,000	\$ 366,814	\$ (33,186)
TOTAL REVENUES	<u>400,000</u>	<u>400,000</u>	<u>366,814</u>	<u>(33,186)</u>
EXPENDITURES				
Current				
Support	<u>375,000</u>	<u>375,000</u>	<u>370,274</u>	<u>4,726</u>
TOTAL EXPENDITURES	<u>375,000</u>	<u>375,000</u>	<u>370,274</u>	<u>4,726</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>25,000</u>	<u>25,000</u>	<u>(3,460)</u>	<u>(28,460)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	25,000	25,000	(3,460)	(28,460)
FUND BALANCE, Beginning	<u>217,090</u>	<u>190,938</u>	<u>190,938</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 242,090</u>	<u>\$ 215,938</u>	<u>\$ 187,478</u>	<u>\$ (28,460)</u>

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 1,501,800	\$ 1,501,800	\$ 1,486,491	\$ (15,309)
Investment Income	29,000	29,000	54,016	25,016
TOTAL REVENUES	<u>1,530,800</u>	<u>1,530,800</u>	<u>1,540,507</u>	<u>9,707</u>
EXPENDITURES				
Debt Service				
Principal	775,000	775,000	775,000	-
Interest	<u>919,088</u>	<u>919,088</u>	<u>919,088</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,694,088</u>	<u>1,694,088</u>	<u>1,694,088</u>	<u>-</u>
CHANGE IN FUND BALANCE	(163,288)	(163,288)	(153,581)	9,707
FUND BALANCE, Beginning	<u>2,264,714</u>	<u>2,333,777</u>	<u>2,333,777</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 2,101,426</u>	<u>\$ 2,170,489</u>	<u>\$ 2,180,196</u>	<u>\$ 9,707</u>

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
Year Ended June 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Investment Income	\$ 25,000	\$ 25,000	\$ 64,604	\$ 39,604
EXPENDITURES				
Capital Outlay	-	3,466,356	1,506,455	1,959,901
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,000	(3,441,356)	(1,441,851)	1,999,505
OTHER FINANCING SOURCES				
Transfers In	-	2,360,000	-	(2,360,000)
CHANGE IN FUND BALANCE	25,000	(1,081,356)	(1,441,851)	(360,495)
FUND BALANCE, Beginning	69,877	1,283,086	1,283,086	-
FUND BALANCE, Ending	\$ 94,877	\$ 201,730	\$ (158,765)	\$ (360,495)

STRASBURG SCHOOL DISTRICT 31J
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE Positive (Negative)
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local Sources				
Investment Income	\$ 1,100	\$ 3,700	\$ 6,656	\$ 2,956
Other	<u>-</u>	<u>-</u>	<u>4,858</u>	<u>4,858</u>
 TOTAL REVENUES	<u>1,100</u>	<u>3,700</u>	<u>11,514</u>	<u>7,814</u>
 CHANGE IN FUND BALANCE	1,100	3,700	11,514	7,814
 FUND BALANCE, Beginning	<u>555,936</u>	<u>557,064</u>	<u>557,064</u>	<u>-</u>
 FUND BALANCE, Ending	<u>\$ 557,036</u>	<u>\$ 560,764</u>	<u>\$ 568,578</u>	<u>\$ 7,814</u>

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0060 - Strasburg 31J
 Fiscal Year 2023-24
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	5,650,658		17,281,786	16,859,691		6,072,753
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	5,650,658		17,281,786	16,859,691		6,072,753
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	17,316		824,748	788,485		53,578
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	2,333,777		1,540,506	1,694,088		2,180,196
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	1,283,086		64,604	1,506,455		-158,765
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	557,064		11,514	0		568,578
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	9,841,901		19,723,156	20,848,718		8,716,340
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	190,938		366,814	370,274		187,478
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	190,938		366,814	370,274		187,478
			FINAL			