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SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
MOSCA, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
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June 30, 2024

INDEPENDENT AUDITOR'S REPORT

Board of Education
Sangre de Cristo School District RE-22J
Mosca, 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 Sangre de Cristo School District RE-22J (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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Board of Education
Sangre de Cristo School District RE-22J

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and budgetary comparison schedules, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

February 24, 2025
Bailey, Colorado

Sangre de Cristo School District RE – 22J

Management's Discussion and Analysis

The discussion and analysis of Sangre de Cristo School District RE 22J's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024.

The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and to enhance their understanding of the District's performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. The GASB requires certain comparative information between the current year and the prior year to be presented in the MD & A.

Financial Highlights

- The total assets including land, buildings, and equipment and deferred outflows of resources exceeded the total liabilities and deferred inflows of resources of the School District at the close of the fiscal year June 30, 2024, by $11,346,783 for the primary reporting entity.

- The general revenues from property tax, specific ownership tax, and state equalization amount to $4,337,931.

- The 2023-2024 beginning fund balance for total government funds was $2,805,286 and the 2023-2024 ending fund budget was $3,342,576.

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.

	Governmental Activities	
	2024	2023
ASSETS		
Current and Other Assets	4,110,237	3,288,722
Capital Assets, Net	15,135,463	15,775,745
Total Assets	19,245,700	19,064,467
Deferred Outflows of Resources	1,538,115	1,346,031
LIABILITIES		
Current and Other Liabilities	983,263	660,591
Long-Term Liabilities	7,935,875	7,486,478
Total Liabilities	8,919,138	8,147,069
Deferred Inflows of Resources	517,894	1,041,899
NET POSITION		
Net Investment in Capital Assets	13,480,463	17,169,467
Restricted for:		
Food Service	34,761	-
Debt Service	548,211	554,902
Emergencies	140,000	140,000
BEST Grant Capital Construction	290,630	290,630
Unrestricted	(3,147,282)	(6,933,469)
Total Net Position	11,346,783	11,221,530

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

	Governmental Activities	
	2024	2023
REVENUES		
Charges for Services	165,326	37,596
Operating Grants and Contributions	802,011	1,441,898
Capital Grants and Contributions	-	-
Property Taxes	1,587,615	1,539,513
Specific Ownership Taxes	220,828	214,981
State Equalization	2,529,488	2,108,039
Investment Income	29,367	24,321
Insurance Proceeds	-	-
Other	10,441	245,595
Total Revenues	5,345,076	5,611,943
EXPENSES		
Instruction	2,765,556	2,555,777
Supporting Services	2,023,742	3,120,196
Food Services	328,431	290,698
Interest on Long-Term Debt	102,094	82,321
Total Expenses	5,219,823	6,048,992
Change in Net Position	125,253	(437,049)
Net Position, Beginning	11,221,530	11,658,579
Net Position, Ending	11,346,783	11,221,530

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 $455,938, reaching $2,262,370 at year-end.
- The **Debt Service Fund** had an ending balance of $570,869.

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds. and fiduciary funds.

Governmental Funds - Most of the District's basic services are included in the governmental funds, which focus on (l) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them.

Sangre de Cristo School District Re-22J maintains five individual governmental funds. Information is presented separately in the governmental fund - balance sheet and in the governmental fund - statement of revenues, expenditures and changes in fund balances for the General Fund (including the Preschool Fund), Debt Service Fund, and Capital Projects Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the Distrie1 cannot use these assets to finance its operations.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-34 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law. A budgetary comparison schedule has been provided on pages 36-49 for the funds to demonstrate compliance.

General Fund Budgetary Highlights

The 2022-2023 budget development process was impacted by the administrator. The Board adopted the first preliminary budget in June of 2022. Throughout the course of the school year the administration worked diligently to accurately reflect the financial status of the district. In January of 2023, the final budget was approved by the Board of Education.

At the close of business on June 30, 2024, actual General Fund expenditures were $4,043,632 less than the budgeted amount and actual revenues were less than the budgeted amount by $2,394,202.

Capital Projects Fund

This fund is to be used to account for the purposes and limitations specified by Section 22-45-103(1), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles. Revenues were $1,129 with an ending fund balance of $352,218.

Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses for the districts Bond that our voters passed in November 2009 to match funds for the BEST Grant district was awarded the amount of $19,732,875. Activity in this fund during the fiscal year ended June 30, 2024, was $329,963 in revenues, and $313,996 in expenditures.

Fiduciary Funds

This consists of the Scholarship Fund. The Scholarship Fund is a Fiduciary Fund with the assets held in trust. The total net position in the Scholarship fund was $28,005.

Capital Asset and Debt Administration

- **Capital Assets:** The District's capital assets decreased to $15,135,463, down from $15,775,745 in the prior year, due to ongoing school construction and improvement projects.

	Balances 6/30/2023	Additions	Deletions	Balances 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 32,667	$ -	$ -	$ 32,667
Capital Assets, Being Depreciated:				
Buildings and Improvements	22,211,905	-	-	22,211,905
Equipment and Vehicles	2,065,976	-	-	2,065,976
Food Service	373,414	-	-	373,414
Total Capital Assets, Being Depreciated	24,651,295	-	-	24,651,295
Less Accumulated Depreciation:				
Buildings and Improvements	(6,774,598)	(552,573)	-	(7,327,171)
Equipment and Vehicles	(1,799,024)	(69,577)	-	(1,868,601)
Food Service	(334,595)	(18,132)	-	(352,727)
Total Accumulated Depreciation	(8,908,217)	(640,282)	-	(9,548,499)
Total Capital Assets, Being Depreciated, Net	15,743,078	(640,282)	-	15,102,796
Governmental Activities Capital Assets, Net	$ 15,775,745	$ (640,282)	$ -	$ 15,135,463

- **Long-Term Debt:** General obligation bond payable decreased to $1,895,000 from $1,655,000 due to scheduled repayments. In November of 2008 our District's Voter's passed a bond to match funds for the BEST Grant to build a new school. The district was awarded $19,732,875.

Economic Factors and Budget Considerations

- Colorado School Districts are largely funded by state revenue backfilling the gap between local property tax revenue.
- Enrollment has fluctuated funding received by the District in the past couple years.
- District has strategically leveraged grant funding.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview o the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Sangre de Cristo School District Re-22J, 8751 Lane 7 N. Mosca, CO. 81146.

BASIC FINANCIAL STATEMENTS

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF NET POSITION
June 30, 2024

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 3,980,667
Grants Receivable	1,275
Taxes Receivable	115,344
Inventories	12,951
Capital Assets, *Not Being Depreciated*	32,667
Capital Assets, *Net of Accumulated Depreciation*	15,102,796
TOTAL ASSETS	19,245,700
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	1,517,797
OPEB, *Net of Accumulated Amortization*	20,318
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,538,115
LIABILITIES	
Accrued Salaries and Benefits	403,265
Unearned Revenue	295,370
Accrued Interest Payable	34,628
Noncurrent Liabilities	
Due Within One Year	250,000
Due in More Than One Year	1,454,463
Net Pension Liability	6,328,602
Net OPEB Liability	152,810
TOTAL LIABILITIES	8,919,138
DEFERRED INFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	445,594
OPEB, *Net of Accumulated Amortization*	72,300
TOTAL DEFERRED INFLOWS OF RESOURCES	517,894
NET POSITION	
Net Investment in Capital Assets	13,480,463
Restricted for:	
Food Service	34,761
Debt Service	548,211
Emergencies	132,000
BEST Grant Capital Construction	322,491
Unrestricted	(3,171,143)
TOTAL NET POSITION	$ 11,346,783

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION — PRIMARY GOVERNMENT
FUNCTIONS / PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	$ 2,765,556	$ -	$ 508,883	$ (2,256,673)
Supporting Services	2,023,742	132,480	100,071	(1,791,191)
Food Services	328,431	32,846	193,057	(102,528)
Interest on Long-Term Debt	102,094	-	-	(102,094)
TOTAL GOVERNMENTAL ACTIVITIES	$ 5,219,823	$ 165,326	$ 802,011	(4,252,486)
GENERAL REVENUES				
Local Property Taxes				1,587,615
Specific Ownership Taxes				220,828
State Equalization				2,529,488
Grants and Contributions not Restricted to Specific Programs				10,441
Investment Income				29,367
TOTAL GENERAL REVENUES				4,377,739
CHANGE IN NET POSITION				125,253
NET POSITION, Beginning				11,221,530
NET POSITION, Ending				$ 11,346,783

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
ASSETS			
Cash and Cash Equivalents	$ 2,944,356	$ 564,410	$ -
Taxes Receivable	96,915	18,429	-
Grants Receivable	1,275	-	-
Inventories	-	-	-
TOTAL ASSETS	$ 3,042,546	$ 582,839	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accrued Salaries and Benefits	$ 376,570	$ -	$ -
Interfund Payables	51,180	-	-
Unearned Revenue	295,370	-	-
TOTAL LIABILITIES	723,120	-	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	57,056	11,970	-
FUND BALANCES			
Nonspendable Inventories	-	-	-
Restricted for:			
Debt Service	-	570,869	-
Emergencies	132,000	-	-
Food Service	-	-	-
BEST Grant Capital Construction	-	-	-
Committed to Capital Projects	-	-	-
Assigned to Student Activities	-	-	-
Unassigned	2,130,370	-	-
TOTAL FUND BALANCES	2,262,370	570,869	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,042,546	$ 582,839	$ -

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 471,901	$ 3,980,667
-	115,344
-	1,275
12,951	12,951
$ 536,032	$ 4,161,417
$ 26,695	$ 403,265
-	51,180
-	295,370
26,695	749,815
-	69,026
12,951	12,951
-	570,869
-	132,000
34,761	34,761
322,491	322,491
29,727	29,727
109,407	109,407
-	2,130,370
509,337	3,342,576
$ 536,032	$ 4,161,417

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total Fund Balances of Governmental Funds	$	3,342,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		15,135,463
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.		69,026
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		(34,628)
Bonds Payable		(1,655,000)
Accrued Compensated Absences		(49,463)
Net Pension Liability		(6,328,602)
Pension-Related Deferred Outflows of Resources		1,517,797
Pension-Related Deferred Inflows of Resources		(445,594)
Net OPEB Liability		(152,810)
OPEB-Related Deferred Outflows of Resources		20,318
OPEB-Related Deferred Inflows of Resources		(72,300)
Total Net Position of Governmental Activities	$	11,346,783

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
REVENUES			
Local Sources	$ 1,517,571	$ 329,963	$ -
County Sources	32	-	-
State Sources	2,858,275	-	-
Federal Sources	280,872	-	-
TOTAL REVENUES	4,656,750	329,963	-
EXPENDITURES			
Current			
Instruction	2,067,251	-	-
Supporting Services	1,939,153	-	-
Food Services	-	-	-
Capital Outlay	37,228	-	-
Debt Service			
Principal	-	240,000	-
Interest and Fiscal Charges	-	73,996	-
TOTAL EXPENDITURES	4,043,632	313,996	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	613,118	15,967	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(157,180)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(157,180)	-	-
CHANGES IN FUND BALANCES	455,938	15,967	-
FUND BALANCES, Beginning, as Originally Reported	1,806,432	554,902	33,674
Reclassified - Major Fund to Nonmajor Fund	-	-	(33,674)
FUND BALANCES, Beginning, as Reclassified	1,806,432	554,902	-
FUND BALANCES, Ending	$ 2,262,370	$ 570,869	$ -

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 166,455	$ 2,013,989
-	32
77,738	2,936,013
114,519	395,391
358,712	5,345,425
139,225	2,206,476
-	1,939,153
311,282	311,282
-	37,228
-	240,000
-	73,996
450,507	4,808,135
(91,795)	537,290
157,180	157,180
-	(157,180)
157,180	-
65,385	537,290
443,952	2,838,960
-	(33,674)
443,952	2,805,286
$ 509,337	$ 3,342,576

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
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	$	537,290
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		(640,282)
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.		(349)
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.		240,000
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		(28,098)
Accrued Compensated Absences		(18,451)
Net Pension Liability		(689,254)
Pension-Related Deferred Outflows of Resources		201,267
Pension-Related Deferred Inflows of Resources		520,951
Net OPEB Liability		39,320
OPEB-Related Deferred Outflows of Resources		(9,183)
OPEB-Related Deferred Inflows of Resources		3,054
Change in Net Position of Governmental Activities	$	156,265

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J

STATEMENT OF FIDUCIARY NET POSITION

GOVERNMENTAL FUNDS

		CUSTODIAL FUND
		SCHOLARSHIP FUND
ASSETS		
Cash and Cash Equivalents	$	28,005
NET POSITION		
Restricted	$	28,005

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
Year Ended June 30, 2024

	CUSTODIAL FUND
	SCHOLARSHIP FUND
ADDITIONS	
Local Sources	$ 258
CHANGE IN NET POSITION	258
NET POSITION, Beginning	27,747
NET POSITION, Ending	$ 28,005

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Sangre de Cristo School District RE-22J (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for the governmental funds 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 accounted for in another fund.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long term general obligation debt principal, interest, and related costs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the District reports the following fund type:

Fiduciary Funds account for assets held by the District as an agent for individuals, private organizations, and other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary fund reported by the District is a private-purpose trust fund, the Scholarship Trust Fund.

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

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

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

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

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

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

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

For purposes of the statement of fiduciary net position, cash equivalents include investments with original maturities of three months or less.

Receivables - All 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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.

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

Buildings and Improvements	15 - 40 years
Equipment and Vehicles	5 - 20 years

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Compensated Absences – Twelve-month and nine-month personnel accrue up to 12 and 9 days of annual leave, respectively. Unused annual leave and related benefits are paid upon termination at half of the certified substitute rate. These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

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

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

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

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

Property Taxes

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

NOTE 2: Cash and Investments

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

Cash on Hand	$ 3,072
Deposits	3,441,190
Investments	564,410
Total	$ 4,008,672

Cash and investments are reported in the financial statements as follows:

Cash and Investments	$ 3,980,667
Fiduciary Fund	28,005
Total	$ 4,008,672

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of $3,191,429 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.

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.

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

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).

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.

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 Pool - At June 30, 2024, the District and the College had $564,410 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust). ColoTrust is 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 ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. ColoTrust is measured at the net asset value per share, with each share valued at $1. ColoTrust is rated AAAm by Standard and Poor's. Investments of ColoTrust is 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: Interfund Transfers

At June 30, 2024, the General Fund transferred $126,180 to the Food Service Fund to subsidize the food service operations. The General Fund also transferred $31,000 to the Capital Projects Fund to finance capital projects.

NOTE 4: Capital Assets

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

	Balances 6/30/2023	Additions	Deletions	Balances 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 32,667	$ -	$ -	$ 32,667
Capital Assets, Being Depreciated:				
Buildings and Improvements	22,211,905	-	-	22,211,905
Equipment and Vehicles	2,065,976	-	-	2,065,976
Food Service	373,414	-	-	373,414
Total Capital Assets, Being Depreciated	24,651,295	-	-	24,651,295
Less Accumulated Depreciation:				
Buildings and Improvements	(6,774,598)	(552,573)	-	(7,327,171)
Equipment and Vehicles	(1,799,024)	(69,577)	-	(1,868,601)
Food Service	(334,595)	(18,132)	-	(352,727)
Total Accumulated Depreciation	(8,908,217)	(640,282)	-	(9,548,499)
Total Capital Assets, Being Depreciated, Net	15,743,078	(640,282)	-	15,102,796
Governmental Activities Capital Assets, Net	$ 15,775,745	$ (640,282)	$ -	$ 15,135,463

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

Instruction	$ 568,563
Supporting Services	53,587
Food Service	18,132
Total	$ 640,282

NOTE 5: Long-Term Debt

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

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Governmental Activities					
G.O. Bonds, Series 2009	$ 1,895,000	$ -	$ 240,000	$ 1,655,000	$ 250,000
Compensated Absences	-	49,463	-	49,463	-
Total	$ 1,895,000	$ 49,463	$ 240,000	$ 1,704,463	$ 250,000

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

NOTE 5: Long-Term Debt (Continued)

On August 12, 2009, the District issued General Obligation Bonds, Series 2009, in the amount of $4,000,000 for the purpose of constructing District facilities. The bond proceeds were used to match $19,732,875 in BEST program funds provided under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. Principal payments are due annually on December 1, through 2029. Interest payments are due semi-annually on June 1st and December 1st, with a fixed interest rate accruing at 4.135% 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. Bond payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 250,000	$ 63,269	$ 313,269
2026	260,000	52,724	312,724
2027	270,000	41,766	311,766
2028	280,000	30,394	310,394
2029	290,000	18,608	308,608
2030-2034	305,000	6,306	311,306
Total	$ 1,655,000	$ 213,067	$ 1,868,067

NOTE 6: Risk Management

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

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

NOTE 7: Defined Benefit Pension Plan

General Information

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

NOTE 7: 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 8). The District's contributions to the SDTF for the year ended June 30, 2024, were $491,351, 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.

NOTE 7: 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 0.0357883338%, which was an increase of 0.0048190096% 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	$ 6,328,602
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	138,767
Total	$ 6,467,369

For the year ended June 30, 2024, the District recognized pension expense of $458,123 and a revenue of ($12,989) 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	$ 300,093	$ -
Net difference between projected and actual earnings on plan investments	453,662	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	514,829	445,594
Contributions subsequent to the measurement date	249,213	-
Total	$ 1,517,797	$ 445,594

District contributions subsequent to the measurement date of $249,213 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:

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Year Ended June 30,		
2025	$	8,011
2026		444,843
2027		496,630
2028		(126,494)
Total	$	822,990

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

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

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

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

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

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

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

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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:

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%	

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%.

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 8,462,394	$ 6,328,602	$ 4,549,278

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

NOTE 8: Postemployment Healthcare Benefits

General Information

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

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

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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

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

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

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2024, was $24,592, 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 $152,810, 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 0.0214101679%, which was a decrease of 0.0021213970% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of ($4,930). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 31,321
Changes of assumptions and other inputs	1,797	16,203
Net difference between projected and actual earnings on plan investments	4,728	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,320	24,776
Contributions subsequent to the measurement date	12,473	-
Total	$ 20,318	$ 72,300

District contributions subsequent to the measurement date of $12,473 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:

Year Ended June 30,	
2025	$ (23,153)
2026	(14,343)
2027	(7,721)
2028	(11,431)
2029	(5,655)
2030	(2,152)
Total	$ (64,455)

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.

NOTE 8: 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%
Heath 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%

NOTE 8: 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 Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare 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 Part A for Retiree / Spouse		MAPD PPO #2 without Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) without Medicare 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.

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

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 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 148,424	$ 152,810	$ 157,581

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 180,488	$ 152,810	$ 129,132

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 9: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

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

NOTE 9: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $132,000.

Litigation

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

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed $36,938 to the BOCES. Separate financial statements for the BOCES are available at 2261 Enterprise Drive, Alamosa, Colorado 81101, or online at https://slvboces.org/.

REQUIRED SUPPLEMENTARY INFORMATION

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	$ 1,461,723	$ 1,461,723	$ 1,246,766	$ (214,957)
Specific Ownership Taxes	224,000	224,000	220,828	(3,172)
Other Taxes	-	-	36,858	36,858
Investment Income	7,100	7,100	2,710	(4,390)
Miscellaneous	107,767	107,767	10,409	(97,358)
County Sources	75	75	32	(43)
State Grants	2,368,542	2,344,090	2,858,275	514,185
Federal Grants	1,130,067	836,742	280,872	(555,870)
TOTAL REVENUES	5,299,274	4,981,497	4,656,750	(41,728)
EXPENDITURES				
Current				
Instruction	2,998,625	2,980,975	2,067,251	913,724
Supporting Services				
Students	535,448	242,123	184,971	57,152
Instructional Staff	420,016	437,666	260,478	177,188
General Administration	512,000	512,000	216,677	295,323
School Administration	335,577	335,577	267,360	68,217
Business Services	100,051	100,051	71,289	28,762
Operations and Maintenance	583,820	583,820	564,039	19,781
Student Transportation	268,622	268,622	247,511	21,111
Other Support	-	-	17,622	(17,622)
Central Support	971,000	971,000	109,206	861,794
Community Services	30,452	6,000	-	6,000
Debt Service				
Principal	10,000	10,000	-	10,000
Interest	200	200	-	200
Total Supporting Services	3,767,186	3,467,059	1,939,153	1,517,706
Capital Outlay	-	-	37,228	(37,228)
TOTAL EXPENDITURES	6,765,811	6,448,034	4,043,632	2,394,202
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,466,537)	(1,466,537)	613,118	2,079,655

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(71,000)	(71,000)	(157,180)	(86,180)
CHANGE IN FUND BALANCE	(1,537,537)	(1,537,537)	455,938	1,993,475
FUND BALANCE, Beginning	1,905,726	1,905,726	1,806,432	(99,294)
FUND BALANCE, Ending	$ 368,189	$ 368,189	$ 2,262,370	$ 1,894,181

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
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	12/31/23	12/31/22	12/31/21	12/31/20
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0357883338%	0.0309693242%	0.0371487724%	0.0415901162%
District's Proportionate Share of the Net Pension Liability	$ 6,328,602	$ 5,174,821	$ 7,503,106	$ 6,350,712
State's Proportionate Share of the Net Pension Liability Associated with the District	138,767	593,227	-	805,506
Total Proportionate Share of the Net Pension Liability	$ 6,467,369	$ 5,768,048	$ 7,503,106	$ 7,156,218
District's Covered Payroll	$ 2,365,926	$ 2,853,569	$ 2,770,522	$ 2,601,859
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267.49%	181.35%	270.82%	244.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.74%	74.86%	66.99%	64.52%
FISCAL YEAR	6/30/24	6/30/23	6/30/22	06/30/21
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	$ 491,351	$ 600,169	$ 567,290	$ 550,780
Contributions in Relation to the Statutorily Required Contribution	(491,351)	(600,169)	(567,290)	(550,780)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,410,939	$ 2,944,891	$ 2,853,569	$ 2,770,522
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%

12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
0.0369241183%	0.0371933033%	0.0418079336%	0.0417553832%	0.0437131924%	0.0425866593%
$ 7,603,466	$ 15,845,793	$ 14,012,943	$ 7,056,260	$ 6,550,479	$ 6,094,429
1,039,668	-	-	-	-	-
$ 8,643,134	$ 15,845,793	$ 14,012,943	$ 7,056,260	$ 6,550,479	$ 6,094,429
$ 2,410,530	$ 2,303,311	$ 2,191,616	$ 2,058,864	$ 2,003,098	$ 1,984,206
315.43%	687.96%	639.39%	342.73%	327.02%	307.15%
57.01%	43.96%	43.13%	59.20%	62.80%	64.06%

06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
$ 504,226	$ 461,134	$ 434,960	$ 402,979	$ 365,188	$ 338,109
(504,226)	(461,134)	(434,960)	(402,979)	(365,188)	(338,109)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,601,859	$ 2,410,530	$ 2,303,311	$ 2,191,616	$ 2,058,864	$ 2,003,098
19.38%	19.13%	18.88%	18.39%	17.74%	16.88%

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
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	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
District's Proportion of the Net OPEB Liability	0.0214101679%	0.0235315649%	0.0242553169%
District's Proportionate Share of the Net OPEB Liability	$ 152,810	$ 250,360	$ 272,651
District's Covered Payroll	$ 2,365,926	$ 2,853,569	$ 2,770,522
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6.46%	8.77%	9.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16%	39.40%	32.78%
FISCAL YEAR	6/30/24	6/30/23	6/30/22
DISTRICT CONTRIBUTIONS			
Statutorily Required Contributions	$ 24,592	$ 30,038	$ 29,106
Contributions in Relation to the Statutorily Required Contribution	(24,592)	(30,038)	(29,106)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 2,410,939	$ 2,944,891	$ 2,853,569
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

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

	12/31/20		12/31/19		12/31/18		12/31/17
	0.0240553692%		0.0241315675%		0.0241757581%		0.0237551015%
$	312,232	$	379,747	$	361,851	$	346,849
$	2,601,859	$	2,410,530	$	2,303,311	$	2,191,616
	12.00%		15.75%		15.71%		15.83%
	24.49%		17.03%		17.53%		16.71%

	6/30/21		6/30/20		6/30/19		6/30/18
$	28,259	$	26,539	$	24,588	$	23,493
	(28,259)		(26,539)		(24,588)		(23,493)
$	-	$	-	$	-	$	-
$	2,770,522	$	2,601,859	$	2,410,530	$	2,303,311
	1.02%		1.02%		1.02%		1.02%

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

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

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

Budget Compliance

At June 30, 2024, the Food Service Fund actual expenditures/expenses exceeded budgeted appropriations by $76,867. This may be a violation of state statutes.

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

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

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

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

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY COMPARISON SCHEDULES

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 10,276	$ 109,407	$ 352,218	$ 471,901
Inventories	12,951	-	-	12,951
Interfund Receivable	51,180	-	-	51,180
TOTAL ASSETS	$ 74,407	$ 109,407	$ 352,218	$ 536,032
LIABLITIES AND FUND BALANCES				
LIABILITIES				
Accrued Salaries and Benefits	$ 26,695	$ -	$ -	$ 26,695
TOTAL LIABILITIES	26,695	-	-	26,695
FUND BALANCES				
Nonspendable Inventories	12,951	-	-	12,951
Restricted for:				
Food Service	34,761	-	-	34,761
BEST Grant Capital Construction	-	-	322,491	322,491
Committed to Capital Projects	-	-	29,727	29,727
Assigned to Student Activities	-	109,407	-	109,407
TOTAL FUND BALANCES	47,712	109,407	352,218	509,337
TOTAL LIABILITIES AND FUND BALANCES	$ 74,407	$ 109,407	$ 352,218	$ 536,032

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
REVENUES				
Local Sources	$ 32,846	$ 132,480	$ 1,129	$ 166,455
State Sources	77,738	-	-	77,738
Federal Sources	114,519	-	-	114,519
TOTAL REVENUES	225,103	132,480	1,129	358,712
EXPENDITURES				
Current				
Instruction	-	139,225	-	139,225
Food Services	311,282	-	-	311,282
TOTAL EXPENDITURES	311,282	139,225	-	450,507
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(86,179)	(6,745)	1,129	(91,795)
OTHER FINANCING SOURCES (USES)				
Transfers In	126,180	-	31,000	157,180
CHANGE IN FUND BALANCES	40,001	(6,745)	32,129	65,385
FUND BALANCES, Beginning	7,711	116,152	320,089	443,952
FUND BALANCES, Ending	$ 47,712	$ 109,407	$ 352,218	$ 509,337

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Fees	$ 128,184	$ 128,184	$ 32,840	$ (95,344)
Investment Income	111	111	6	(105)
State Grants	-	-	77,738	77,738
Federal Grants	-	-	114,519	114,519
TOTAL REVENUES	128,295	128,295	225,103	96,808
EXPENDITURES				
Current				
Salaries	-	-	146,151	(146,151)
Benefits	-	-	61,170	(61,170)
Purchased Services	28,000	28,000	-	28,000
Supplies and Materials	206,415	206,415	103,961	102,454
TOTAL EXPENDITURES	234,415	234,415	311,282	(76,867)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(106,120)	(106,120)	(86,179)	19,941
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	126,180	126,180
CHANGE IN FUND BALANCE	(106,120)	(106,120)	40,001	146,121
FUND BALANCE, Beginning	106,120	106,120	7,711	(98,409)
FUND BALANCE, Ending	$ -	$ -	$ 47,712	$ 47,712

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	$ 128,295	$ 128,295	$ 132,480	$ 4,185
TOTAL REVENUES	128,295	128,295	132,480	4,185
EXPENDITURES				
Current				
Supporting Services	234,415	234,415	139,225	95,190
CHANGE IN FUND BALANCE	(106,120)	(106,120)	(6,745)	99,375
FUND BALANCE, Beginning	106,120	106,120	116,152	10,032
FUND BALANCE, Ending	$ -	$ -	$ 109,407	$ 109,407

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Investment Income	$ 571	$ 571	$ 1,034	$ 463
Miscellaneous	180,234	180,234	95	(180,139)
TOTAL REVENUES	180,805	180,805	1,129	(179,676)
EXPENDITURES				
Capital Outlay	500,000	500,000	-	500,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(319,195)	(319,195)	1,129	320,324
OTHER FINANCING SOURCES (USES)				
Transfers In	31,000	31,000	31,000	-
CHANGE IN FUND BALANCE	(288,195)	(288,195)	32,129	320,324
FUND BALANCE, Beginning	288,195	288,195	320,089	31,894
FUND BALANCE, Ending	$ -	$ -	$ 352,218	$ 352,218

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	$ 228,372	$ 228,372	$ 304,340	$ 75,968
Investment Income	400	400	25,623	25,223
TOTAL REVENUES	228,772	228,772	329,963	101,191
EXPENDITURES				
Debt Service				
Principal	219,000	219,000	240,000	(21,000)
Interest	170,000	170,000	73,398	96,602
Fees and Charges	361,000	361,000	598	360,402
TOTAL EXPENDITURES	750,000	750,000	313,996	436,004
CHANGE IN FUND BALANCE	(521,228)	(521,228)	15,967	537,195
FUND BALANCE, Beginning	521,228	521,228	554,902	33,674
FUND BALANCE, Ending	$ -	$ -	$ 570,869	$ 570,869

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
SCHOLARSHIP FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
ADDITIONS				
Local Receipts	3,732	3,732	258	(3,474)
DEDUCTIONS				
Disbursements	43,732	43,732	-	43,732
CHANGE IN NET POSITION	(40,000)	(40,000)	258	(47,206)
NET POSITION, Beginning	40,000	40,000	27,747	(12,253)
NET POSITION, Ending	$ -	$ -	$ 28,005	$ 28,005

COMPLIANCE SECTION

STATE COMPLIANCE

Colorado Department of Education

Auditors Integrity Report

District: 0110 - Sangre De Cristo Re-22J
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	1,806,433	4,419,565	3,962,178	2,263,819
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	80,005	81,453	-1,448
Sub- Total	1,806,433	4,499,569	4,043,631	2,262,371
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	7,712	351,283	311,283	47,712
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	116,152	132,480	139,225	109,406
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	554,902	329,964	313,996	570,869
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	320,089	32,129	0	352,218
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,805,287	5,345,426	4,808,136	3,342,577
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	27,747	258	0	28,005
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	27,747	258	0	28,005

FINAL