

SALIDA SCHOOL DISTRICT NUMBER R-32-J

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2023

SALIDA SCHOOL DISTRICT NUMBER R-32-J
TABLE OF CONTENTS
JUNE 30, 2023

	Page
FINANCIAL SECTION	
Independent Auditors' Report	<i>iii</i>
Management's Discussion and Analysis	<i>vi</i>
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet—Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	6
Statement of Fiduciary Net Position—Fiduciary Fund	7
Statement of Changes in Fiduciary Net Position—Fiduciary Fund	8
Notes to Financial Statements	9
Required Supplementary Information:	
Schedule of the Employer's Proportionate Share of the Net Pension Liability	44
Schedule of the Employer's Payroll Contributions – Pension	45
Schedule of the Employer's Proportionate Share of the Net OPEB Liability	46
Schedule of the Employer's Payroll Contributions – OPEB	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Governmental Designated-Purpose Grants Fund	49

SALIDA SCHOOL DISTRICT NUMBER R-32-J
TABLE OF CONTENTS
JUNE 30, 2023

	Page
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules:	
<i>Bond Redemption Fund:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual	50
<i>Capital Projects Fund:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual	51
<i>Non-major Governmental Funds:</i>	
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	53
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual	
Food Service Fund	54
Student Activity Fund	55
Preschool Fund	56
<i>Fiduciary Funds:</i>	
<i>Private-Purpose Trust Fund</i>	
Schedule of Changes in Fiduciary Net Position	57
COMPLIANCE SECTION	
Single Audit:	
Schedule of Expenditures of Federal Awards	58
Notes to the Schedule of Expenditures of Federal Awards	59
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	60
Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by <i>Uniform Guidance</i>	62
Schedule of Findings and Questioned Costs	65
Summary Schedule of Prior Audit Findings	67
State Compliance:	
Independent Auditors’ Report on Colorado School District/BOCES Auditors’ Integrity Report	68
Colorado School District/BOCES Auditor’s Integrity Report	69



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Salida School District Number R-32-J

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 Salida School District Number R-32-J, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Salida School District Number R-32-J's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J, as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Salida School District Number R-32-J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Salida School District Number R-32-J'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Salida School District Number R-32-J'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 Salida School District Number R-32-J'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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salida School District Number R-32-J's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures

of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **October 28, 2023** on our consideration of the Salida School District Number R-32-J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Salida School District Number R-32-J's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Salida School District Number R-32-J's internal control over financial reporting and compliance.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 28, 2023



SALIDA SCHOOL DISTRICT R-32-J

BOARD OF EDUCATION

Joe Smith, President

Jodi Breckenridge Petit, Vice-President, Carrie Mattix, Treasurer

Directors: Ben Hill, Matthew Hobbs, Mandy Paschall, Jenn Schuchman

David Blackburn, Superintendent

William Wooddell, Assistant Superintendent

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

As management of Salida School District R-32-J (the "District") we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of District for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

For the year ended June 30, 2023 the General Fund's fund balance decreased by \$1,039,296.

The General Fund operations of the District are funded primarily by tax revenue received under the State School Finance Act (the Act) in the amount of \$12,123,074 and total revenue for the year was \$17,689,286.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

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

The governmental activities of the District include instruction and support services of the District.

The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of yearend).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Notes to Financial Statements

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

Government-wide Financial Analysis

For the year ended June 30, 2023 the District's net position is \$12,961,110 which is a change of (\$485,946) from the previous year. This is significant because it represents the only time that we have seen a reduction in net position over the past 5 years. The negative unrestricted net position of (\$17,734,642) is due primarily to the adoption of GASB Statement No. 68, resulting from a net pension liability of \$25,519,475, representing the District's proportionate share of PERA's net pension liability. The District's net investment in capital assets is \$27,018,991. In addition, \$2,113,668 is restricted for debt service; \$827,713 is restricted for Capital Renewal; \$142,500 is restricted for multi-year obligations; and \$592,880 is restricted for emergencies under TABOR. The restricted amount for multi-year obligations reflects a significant change from last year due to many administrators currently in the second year of the multi-year contract. The District can expect to see an increase in those multi-year obligations as many of the administrators will be entering a new two year contract. Additionally, the district made substantial increases to the base salary schedules of all employees last year, and approved multiple step increases as well as retention payments to all staff. This is another factor that is playing a large role in both the decrease in net position as well as the decrease in the general fund.

Statement of Net Position

GOVERNMENTAL ACTIVITIES

	<u>2021-2022</u>	<u>2022-2023</u>
ASSETS		
Current Assets	\$ 12,876,539	\$ 11,935,693
Capital Assets, Net of Accumulated Depreciation	<u>45,743,207</u>	<u>45,196,460</u>
TOTAL ASSETS	<u>58,619,746</u>	<u>57,132,153</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>8,116,461</u>	<u>7,575,986</u>
LIABILITIES		
Current Liabilities	1,106,992	1,217,263
Noncurrent Liabilities	<u>38,808,771</u>	<u>45,174,774</u>
TOTAL LIABILITIES	<u>39,915,763</u>	<u>46,392,037</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,373,388</u>	<u>5,354,992</u>
NET POSITION		
Net Investment in Capital Assets	25,833,457	27,018,991
Restricted	3,692,154	3,676,761
Unrestricted	<u>-16,078,555</u>	<u>-17,734,642</u>
TOTAL NET POSITION	<u>\$ 13,447,056</u>	<u>\$ 12,961,110</u>

Statement of Activities

GOVERNMENTAL ACTIVITIES

	<u>2021-2022</u>	<u>2022-2023</u>
Program revenues:		
Charges for service	\$ 133,948	\$ 404,964
Operating grants & contributions	4,193,179	5,878,765
General revenues:		
Property Taxes	9,735,157	10,157,625
Specific ownership taxes	1,092,522	1,152,841
State equalization	5,481,360	5,735,058
Grants & Contributions not Restricted to Spec. Program	44,299	253,839
Other revenues	1,415,900	999,598
Earnings on Investments	<u>39,732</u>	<u>237,763</u>
TOTAL REVENUES	<u>22,136,097</u>	<u>24,820,453</u>
Expenses:		
Instruction	5,759,961	12,060,092
Supporting Services	6,945,556	11,544,297
Food Service	730,176	933,734
Interest and Fiscal Charges	<u>871,937</u>	<u>768,276</u>
TOTAL EXPENSES	<u>14,307,630</u>	<u>25,306,399</u>
NET POSITION		
CHANGE IN NET POSITION	7,828,467	(485,946)
NET POSITION, Beginning	<u>5,618,589</u>	<u>13,447,056</u>
NET POSITION, Ending	<u>\$ 13,447,056</u>	<u>\$ 12,961,110</u>

Governmental activities decreased the District's net position by \$485,946, primarily due to a decrease in fund balance with further discussion presented in the following section.

Financial Analysis of the District's Funds

Governmental funds. The focus of District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$9,700,455: General Fund \$5,473,149; Bond Redemption Fund \$2,113,668; and Other Governmental Funds \$2,113,638. The decrease in the General Fund balance is related primarily to an increase in expenditures related to increases in salaries and benefits for district staff from Last Fiscal year.

General Fund Budgetary Highlights

General Fund revenues budgeted was \$16,749,840 and actual revenues were \$17,689,286. The District budgeted for General Fund expenditures of \$18,393,199, for the year ended June 30, 2023. Actual expenditures were \$17,277,933. The difference in expenditures between the final budget and actual expenditures was due to debt service being reclassified as a bond instead of a COP and thus adjusting monies back to the bond funds.

Capital Assets

For the year ended June 30, 2023, the District's significant capital asset activity included additions to 627 Oak Street including the addition of a playground for Crest Academy and a parking lot for the school and office. Additionally, the District remodeled the office spaces at Salida High School to allow for more adequate student support. Also reflected is an early release of funds to prepare for installation of the new turf during July of 2023. The District will expect to see the full turf project reflected in next year's Audit. Please see Note 5 in the financial statement for more information.

Long-Term Debt

As of June 30, 2023, the District had total long-term debt of \$18,785,788 a decrease of \$1,736,722 from the previous year. Please see Note 7 in the financial statement for more information.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the District is student enrollment and growth in the District. This factor was considered in preparing the District's budget for fiscal year 2022-2023.

Requests for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Salida School District R-32-J, 627 Oak Street, Salida, CO 81201.

BASIC FINANCIAL STATEMENTS

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 9,977,562
Cash with County Treasurer	250,404
Taxes receivable	521,257
Intergovernmental receivables	374,558
Lease receivables	802,827
Other receivables	2,288
Inventories and prepaid expenses	6,797
Capital assets, not being depreciated	2,470,983
Capital assets, net of accumulated depreciation/amortization	<u>42,725,477</u>
Total assets	<u>57,132,153</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	135,020
Deferred pension outflows	7,082,656
Deferred OPEB outflows	<u>358,310</u>
Total deferred outflows of resources	<u>7,575,986</u>
LIABILITIES	
Accounts payable and other current liabilities	67,131
Accrued salaries and benefits	1,072,278
Unearned revenue	50,570
Accrued interest	27,284
Long-term liabilities:	
Due within one year	1,770,247
Due in more than one year	17,015,541
Net pension liability	25,519,475
Net OPEB liability	<u>869,511</u>
Total liabilities	<u>46,392,037</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	802,827
Deferred pension inflows	4,135,319
Deferred OPEB inflows	<u>416,846</u>
Total deferred inflows of resources	<u>5,354,992</u>
NET POSITION	
Net investment in capital assets	27,018,991
Restricted for:	
Emergency reserve (TABOR)	592,880
Multi-year obligations	142,500
Capital renewal	827,713
Debt service	2,113,668
Unrestricted	<u>(17,734,642)</u>
Total net position	<u>\$ 12,961,110</u>

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:					
Instruction	\$ 12,060,092	\$ 40,373	\$ 5,102,843	\$ -	\$ (6,916,876)
Supporting services	11,544,297	184,954	475,530	-	(10,883,813)
Food service operations	933,734	179,637	300,392	-	(453,705)
Community services	306,515	-	-	-	(306,515)
Facilities acquisition	79,117	-	-	-	(79,117)
Interest on long-term debt	382,644	-	-	-	(382,644)
Total	\$ 25,306,399	\$ 404,964	\$ 5,878,765	\$ -	(19,022,670)
General revenues:					
Property taxes					10,157,625
Specific ownership taxes					1,152,841
State equalization					5,735,058
Grants and contributions not restricted to specific programs					253,839
Unrestricted investment earnings					237,763
Miscellaneous					999,598
Total general revenues					<u>18,536,724</u>
Change in net position					(485,946)
Net position - beginning					<u>13,447,056</u>
Net position - ending					<u><u>\$ 12,961,110</u></u>

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Governmental Designated- Purpose Grants Fund	Bond Redemption Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 5,806,778	\$ 48,194	\$ 2,032,923	\$ 1,422,899	\$ 666,768	\$ 9,977,562
Cash with County Treasurer	223,619	-	26,785	-	-	250,404
Taxes receivable	420,608	-	100,649	-	-	521,257
Intergovernmental receivables	15,476	329,038	-	-	30,044	374,558
Lease receivables	802,827	-	-	-	-	802,827
Other receivables	2,288	-	-	-	-	2,288
Due from other funds	203,933	-	-	55,849	-	259,782
Inventories and prepaids	-	-	-	-	6,797	6,797
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,475,529</u>	<u>\$ 377,232</u>	<u>\$ 2,160,357</u>	<u>\$ 1,478,748</u>	<u>\$ 703,609</u>	<u>\$ 12,195,475</u>
LIABILITIES						
Accounts payable and other current liabilities	\$ 66,482	\$ -	\$ -	\$ -	\$ 649	\$ 67,131
Accrued salaries and benefits	895,576	151,118	-	-	25,584	1,072,278
Due to other funds	-	217,296	-	-	42,486	259,782
Unearned revenue	41,752	8,818	-	-	-	50,570
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,003,810</u>	<u>377,232</u>	<u>-</u>	<u>-</u>	<u>68,719</u>	<u>1,449,761</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	195,743	-	46,689	-	-	242,432
Lease related	802,827	-	-	-	-	802,827
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>998,570</u>	<u>-</u>	<u>46,689</u>	<u>-</u>	<u>-</u>	<u>1,045,259</u>
FUND BALANCES						
Nonspendable for:						
Inventories and prepaid expenses	-	-	-	-	6,797	6,797
Restricted for:						
Emergency reserve (TABOR)	592,880	-	-	-	-	592,880
Multi-year obligations	142,500	-	-	-	-	142,500
Capital renewal	-	-	-	827,713	-	827,713
Debt service	-	-	2,113,668	-	-	2,113,668
Committed for:						
Food service operations	-	-	-	-	34,015	34,015
Pupil activities	-	-	-	-	307,300	307,300
Preschool activities	-	-	-	-	286,778	286,778
Capital projects	-	-	-	651,035	-	651,035
Operating reserve	2,371,504	-	-	-	-	2,371,504
Unassigned	2,366,265	-	-	-	-	2,366,265
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>5,473,149</u>	<u>-</u>	<u>2,113,668</u>	<u>1,478,748</u>	<u>634,890</u>	<u>9,700,455</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,475,529</u>	<u>\$ 377,232</u>	<u>\$ 2,160,357</u>	<u>\$ 1,478,748</u>	<u>\$ 703,609</u>	<u>\$ 12,195,475</u>

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

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

Total fund balance - governmental funds	\$	9,700,455
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$	2,470,983
Capital assets, net of accumulated depreciation/amortization	<u>42,725,477</u>	45,196,460
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		242,432
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	\$	135,020
Net pension liabilities	(25,519,475)	
Pension outflows	7,082,656	
Pension inflows	(4,135,319)	
Net OPEB liabilities	(869,511)	
OPEB outflows	358,310	
OPEB inflows	(416,846)	
Accrued interest	(27,284)	
Compensated absences	(473,299)	
Leases payable	(45,936)	
COP's payable	(2,200,401)	
General obligation bonds payable	<u>(16,066,152)</u>	<u>(42,178,237)</u>
Net position of governmental activities in the statement of net position	\$	<u><u>12,961,110</u></u>

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Governmental Designated- Purpose Grants Fund	Bond Redemption Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Local sources	\$ 9,981,721	\$ 306,874	\$ 2,016,711	\$ 22,454	\$ 1,187,927	\$ 13,515,687
State sources	7,214,018	346,799	-	-	5,755	7,566,572
Federal sources	493,547	2,658,948	-	-	331,537	3,484,032
Total revenues	<u>17,689,286</u>	<u>3,312,621</u>	<u>2,016,711</u>	<u>22,454</u>	<u>1,525,219</u>	<u>24,566,291</u>
EXPENDITURES						
Instruction	8,950,243	1,361,806	-	144,685	1,077,510	11,534,244
Supporting services	8,052,612	1,616,037	-	168,068	34,430	9,871,147
Food service operations	65,235	27,904	-	-	831,563	924,702
Community services	-	306,874	-	-	-	306,874
Facilities acquisition and construction	1,105	-	-	795,243	-	796,348
Debt service	208,738	-	1,925,232	-	-	2,133,970
Total expenditures	<u>17,277,933</u>	<u>3,312,621</u>	<u>1,925,232</u>	<u>1,107,996</u>	<u>1,943,503</u>	<u>25,567,285</u>
Excess (deficiency) of revenues over expenditures	<u>411,353</u>	<u>-</u>	<u>91,479</u>	<u>(1,085,542)</u>	<u>(418,284)</u>	<u>(1,000,994)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	1,250,367	200,282	1,450,649
Transfers out	<u>(1,450,649)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,450,649)</u>
Total other financing sources (uses)	<u>(1,450,649)</u>	<u>-</u>	<u>-</u>	<u>1,250,367</u>	<u>200,282</u>	<u>-</u>
Net change in fund balances	(1,039,296)	-	91,479	164,825	(218,002)	(1,000,994)
Fund balances - beginning	<u>6,512,445</u>	<u>-</u>	<u>2,022,189</u>	<u>1,313,923</u>	<u>852,892</u>	<u>10,701,449</u>
Fund balances - ending	<u>\$ 5,473,149</u>	<u>\$ -</u>	<u>\$ 2,113,668</u>	<u>\$ 1,478,748</u>	<u>\$ 634,890</u>	<u>\$ 9,700,455</u>

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds: \$ (1,000,994)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 921,916	
Depreciation/amortization	<u>(1,468,663)</u>	(546,747)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. (2,181)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal		1,727,546
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Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year. (5,456)

Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Interest expense	\$ 22,006	
Amortization of deferred on refunding	(12,859)	
Amortization of bond premium	14,632	
Changes in pension related items	(762,883)	
Changes in OPEB related items	<u>80,990</u>	<u>(658,114)</u>

Change in net position of governmental activities		<u>\$ (485,946)</u>
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The accompanying notes are an integral part of these financial statements.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023**

	Private- Purpose Trust Fund
ASSETS	
Cash and investments	\$ 77,813
NET POSITION	
Held in trust for individuals	
Expendable	77,813
Total net position	\$ 77,813

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE, 30 2023

	Private- Purpose Trust Fund
ADDITIONS	
Investment income	\$ 614
Other local income	6,454
	7,068
DEDUCTIONS	
Scholarship awards	431
	6,637
Change in net position	6,637
Net position - beginning	71,176
	77,813
Net position - ending	\$ 77,813

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Salida School District Number R-32-J (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

Salida School District Number R-32-J (the District) of Chaffee County and western Fremont County was organized by a vote of qualified electorate in 1958, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with seven members and provides educational services to approximately 1,329 students.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

The District has no component units for which either discrete or blended presentation is required.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments 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 service users 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

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 general government, except those required to be accounted for in another fund.

The *Designated Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Bond Redemption Fund* accounts for the accumulation of resources for and the payment of principal, interest and related expenses on long-term general obligation debt.

Capital Projects Funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays acquisition or construction of major capital facilities and other capital assets.

The Capital Reserve Fund is used to account for purposes and limitations specified by C.R.S. Section 22-45-103 (1)(c), including acquisition of sites, buildings, equipment and vehicles.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The *Food Service Fund* accounts for the Districts food service program. This fund is required to account for USDA school breakfast and lunch money received by the District.

The *Student Activity Fund* is used to account for the revenues and expenditures related to school sponsored student intrascholastic and interscholastic athletic and other related activities. The fund receives subsidies from the General Fund.

The *Preschool Fund* is used to account for locally funded preschool activities.

Capital Projects Funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays acquisition or construction of major capital facilities and other capital assets.

The *Building Fund* is used to account for all resources available for acquiring capital sites, buildings, and equipment.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The District has one fiduciary fund:

The *Private Purpose Trust Fund* is used to report any trust arrangement under which the principal and/or income benefit students and the funds are not used as part of the operations of the District.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

The 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 collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/
FUND BALANCE*

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and prepaid items

Inventories are recorded as expenditures/expenses when consumed rather than when purchased. General warehouse inventory is valued at cost using the first-in/first-out (FIFO) method. Food Service inventory is stated at cost using the weighted average method except for commodities. USDA donated food commodities are valued at estimated acquisition value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than \$50,000 are reported as capital assets.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	7-50 years
Land improvements	15-25 years
Equipment	5-20 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

Unearned Revenue

Unearned revenue includes resources received by the District before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases

Lessee: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The District is a lessor for a noncancellable lease of a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

Salida School District Number R-32-J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

Salida School District Number R-32-J participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES AND EXPENDITURES/EXPENSES

Property Taxes

Property taxes for the current year are certified in arrears to the County by December 15, and attach as an enforceable lien on property the following January 1. Property taxes are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The County Treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2023 is 23.446 mills for general operating expenses and 5.612 mills for the payment of long-term debt. The District's assessed valuation for the collection year 2023 is \$347,511,598. Taxes are assessed on \$347,511,598 which is the assessed valuation net of tax increment financing.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month and are considered unrestricted intergovernmental revenues. Specific ownership taxes are recorded as revenue when collected by the county.

Compensated Absences

Employees of the district are entitled to certain compensated absences based on their length of employment. An employee that leaves the district with a minimum of six years of service will be reimbursed for unused sick leave at rates based on length of employment. An employee with a minimum of one year of service will be reimbursed for any unused vacation time at their current pay rate. Accumulated compensated absences are reimbursed upon termination of employment.

The current portion of this liability represents the amounts that would be liquidated with expendable available financial resources and would be recorded in the General Fund.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Superintendent submits a proposed budget to the Board of Education for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Education to obtain public comments.

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the District budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year. All appropriations lapse at the end of each fiscal year.

Excess of Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the Grants Fund by \$147,403. These over-expenditures were funded by greater than anticipated revenues.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2023 is as follows:

Deposits	\$ 2,336,386
Investments	<u>7,641,176</u>
Total	<u>\$ 9,977,562</u>

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

Cash and investments	\$ <u>9,977,562</u>
Total	<u>\$ 9,977,562</u>

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the District’s deposits at June 30, 2023 was \$2,336,386 and the bank balances were \$2,632,459. Of the bank balances, \$250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies’ securities;
- Certain international agencies’ securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers’ acceptances of certain banks;
- Certain commercial paper;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market fund;
- Guaranteed investment contracts.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023 the District’s investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor’s Rating</u>
CSAFE	\$ 7,641,176	Net asset value	Less than 90 days	AAAm

Local Government Investment Pools. The Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians’ internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District’s investments are in CSAFE. These investments are 100.0% of the District’s total investments.

Fair value of investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances as of June 30, 2023, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 203,933	\$ -
Capital Projects Fund	55,849	-
Governmental Designated Purpose Grants Fund	-	217,296
Nonmajor Funds	<u>-</u>	<u>42,486</u>
Total	<u>\$ 259,782</u>	<u>\$ 259,782</u>

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 1,450,649
Capital Projects Fund	1,250,367	-
Nonmajor Funds	<u>208,282</u>	<u>-</u>
Total	<u>\$ 1,450,649</u>	<u>\$ 1,450,649</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance, As Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$ 2,161,030	\$ -	\$ -	\$ 2,161,030
Construction in progress	<u>194,071</u>	<u>593,809</u>	<u>(477,927)</u>	<u>309,953</u>
Total capital assets not being depreciated	<u>2,355,101</u>	<u>593,809</u>	<u>(477,927)</u>	<u>2,470,983</u>
Capital assets being depreciated:				
Buildings and improvements	57,029,469	104,453	-	57,133,922
Land improvements	687,359	500,281	-	1,187,640
Transportation equipment	1,327,044	149,686	(7,195)	1,469,535
Other equipment	<u>1,138,855</u>	<u>51,614</u>	<u>(5,920)</u>	<u>1,184,549</u>
Total capital assets being depreciated	<u>60,182,727</u>	<u>806,034</u>	<u>(13,115)</u>	<u>60,975,646</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,846,197)	(1,224,408)	-	(16,090,258)
Land improvements	(449,865)	(83,430)	-	(533,295)
Transportation equipment	(681,228)	(84,783)	7,195	(758,816)
Other equipment	<u>(880,195)</u>	<u>(40,673)</u>	<u>5,920</u>	<u>(914,948)</u>
Total accumulated depreciation	<u>(16,857,485)</u>	<u>(1,452,947)</u>	<u>13,115</u>	<u>(18,297,317)</u>
Total capital assets being depreciated, net	<u>43,325,242</u>	<u>(646,913)</u>	<u>-</u>	<u>42,678,329</u>
Lease assets being amortized:				
Other equipment	<u>78,580</u>	<u>-</u>	<u>-</u>	<u>78,580</u>
Total lease assets being amortized	<u>78,580</u>	<u>-</u>	<u>-</u>	<u>78,580</u>
Less accumulated amortization for:				
Other equipment	<u>(15,716)</u>	<u>(15,716)</u>	<u>-</u>	<u>(31,432)</u>
Total accumulated amortization	<u>(15,716)</u>	<u>(15,716)</u>	<u>-</u>	<u>(31,432)</u>
Total lease assets being amortized, net	<u>62,864</u>	<u>(15,716)</u>	<u>-</u>	<u>47,148</u>
Capital assets, net of accumulated depreciation/amortization	<u>43,388,106</u>	<u>(662,629)</u>	<u>-</u>	<u>42,725,477</u>
Total governmental activities capital assets	<u>\$ 45,743,207</u>	<u>\$ (68,820)</u>	<u>\$ (477,927)</u>	<u>\$ 45,196,460</u>

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities

Instruction		\$	5,349
Supporting services			1,458,726
Food services			<u>4,588</u>
Total depreciation/amortization expense		<u>\$</u>	<u>1,468,663</u>

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into lease agreements involving equipment with lease terms of five years. The total costs of these right-to-use lease assets are recorded as \$78,580, less accumulated amortization of \$31,432. The District has determined that as of June 30, 2023, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2023 are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	16,907	1,093	18,000
2025	17,309	691	18,000
2026	<u>11,720</u>	<u>280</u>	<u>12,000</u>
Total	<u>\$ 45,936</u>	<u>\$ 2,064</u>	<u>\$ 48,000</u>

District as lessor

The District, as a lessor, has entered into lease agreements with a third party involving buildings. The lease is for 6 years and the District will receive monthly payments of \$15,120. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$90,720. As of June 30, 2023, the District receivable for lease payments was \$802,827. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$802,827.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General Obligation bonds outstanding at June 30, 2023 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
G.O. Bonds 2010	17,961,801	4.082%	2030	\$ 8,831,043
G.O. Bonds 2012	9,590,000	2.00% - 4.00%	2033	4,205,000
G.O. Refunding bonds 2020	2,980,000	1.9%	2034	<u>2,935,000</u>
Total				<u>\$ 15,971,043</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,613,453	\$ 310,561
2025	1,652,832	275,445
2026	1,687,572	241,545
2027	1,722,685	205,896
2028	1,758,173	169,797
2029 – 2033	6,936,328	323,317
2034	<u>600,000</u>	<u>5,370</u>
Total	<u>\$ 15,971,043</u>	<u>\$ 1,531,931</u>

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Certificate of Participation

Certificates of participation (COPs) are lease-financing agreements used by the District to provide funds for the acquisition and construction of major capital facilities. Under such agreements, the District makes regular payments over an annually renewable contract for the acquisition and use of the property. COPs have been issued for governmental activities. COPs are not considered general obligations of the District. COPs are secured by lease revenues through a lease-financing agreement.

Certificates of participation outstanding at June 30, 2023 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
Certificates of Participation 2021	2,425,000	2.38%	2037	\$ <u>2,200,401</u>
Total				\$ <u>2,200,401</u>

Annual debt service requirements to maturity for certificates of participation are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 139,887	\$ 50,850
2025	143,253	47,484
2026	146,700	44,037
2027	150,230	40,508
2028	153,844	36,893
2029 – 2033	826,563	127,125
2034 –2037	<u>639,924</u>	<u>27,657</u>
Total	<u>\$ 2,200,401</u>	<u>\$ 374,554</u>

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

Changes in the District’s long-term liabilities for the year ended June 30, 2023, are as follows:

	Beginning Balance, <u>As Restated</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance	Amount Due Within <u>One year</u>
<i>Governmental Activities</i>					
General obligation bonds	\$ 17,515,475	\$ -	\$ (1,574,432)	\$ 15,971,043	\$ 1,613,453
Bond premiums	<u>109,741</u>	<u>-</u>	<u>(14,632)</u>	<u>95,109</u>	<u>-</u>
Total bonds payable	17,655,216	-	(1,589,064)	16,066,152	1,613,453
COP’s	2,337,001	-	(136,600)	2,200,401	139,887
Leases	62,450	-	(16,514)	45,936	16,907
Compensated absences	467,843	176,764	(171,308)	473,299	-
Net pension liability	17,442,392	12,347,778	(4,270,695)	25,519,475	-
Net OPEB liability	<u>843,869</u>	<u>171,678</u>	<u>(146,036)</u>	<u>869,511</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>\$ 38,808,771</u>	<u>\$ 12,696,220</u>	<u>\$ (6,330,217)</u>	<u>\$ 45,174,774</u>	<u>\$ 1,770,247</u>

General obligation bonds are liquidated in the debt service fund. Leases are liquidated in the general fund. Approximately 90% of compensated absences, net pension liabilities, and net OPEB liabilities are normally liquidated in the general fund, with remaining amounts liquidated in other governmental funds.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Salida School District Number R-32-J are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2023: Eligible employees of, Salida School District Number R-32-J and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Salida School District Number R-32-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Salida School District Number R-32-J were \$2,402,712 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Salida School District Number R-32-J proportion of the net pension liability was based on Salida School District Number R-32-J contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2023, the Salida School District Number R-32-J reported a liability of \$25,519,475 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Salida School District Number R-32-J as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Salida School District Number R-32-J were as follows:

Salida School District Number R-32-J proportionate share of the net pension liability	\$ 25,519,475
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Salida School District Number R-32-J	7,436,632
Total	\$ 32,956,107

At December 31, 2022, the Salida School District Number R-32-J proportion was 0.1401440140%, which was a decrease of 0.0097386311% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Salida School District Number R-32-J recognized pension expense of \$762,883 and revenue of \$874,503 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Salida School District Number R-32-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 241,514	\$ -
Changes of assumptions or other inputs	452,033	-
Net difference between projected and actual earnings on pension plan investments	3,428,206	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,689,983	4,135,319
Contributions subsequent to the measurement date	1,270,920	N/A
Total	\$ 7,082,656	\$ 4,135,319

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$1,270,920 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (788,054)
2025	(637,100)
2026	1,107,536
2027	1,994,035
2028	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

The actuarial assumptions used in the December 31, 2021, 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 for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. 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 Salida School District Number R-32-J proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 33,396,216	\$ 25,519,475	\$ 18,941,592

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

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Salida School District Number R-32-J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

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

PERA Benefit Structure

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Salida School District Number R-32-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Salida School District Number R-32-J were \$120,255 for the year ended June 30, 2023.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

At June 30, 2023, the Salida School District Number R-32-J reported a liability of \$869,511 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Salida School District Number R-32-J proportion of the net OPEB liability was based on Salida School District Number R-32-J contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Salida School District Number R-32-J proportion was 0.1064952196%, which was an increase of 0.0086331888% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Salida School District Number R-32-J recognized OPEB expense of \$(80,990). At June 30, 2023, the Salida School District Number R-32-J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 113	\$ 210,277
Changes of assumptions or other inputs	13,975	95,967
Net difference between projected and actual earnings on OPEB plan investments	53,108	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	227,504	110,602
Contributions subsequent to the measurement date	63,610	N/A
Total	\$ 358,310	\$ 416,846

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

\$63,610 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (44,178)
2025	(38,893)
2026	(12,507)
2027	(13,787)
2028	(11,454)
Thereafter	(1,327)

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty 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 FNP as of the December 31, 2022, measurement date.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 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 for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

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, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 13, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

The actuarial assumptions used in the December 31, 2021, 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 for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

Sensitivity of the Salida School District Number R-32-J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 844,900	\$ 869,511	\$ 896,920

¹For the January 1, 2023, plan year.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Salida School District Number R-32-J 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	\$ 1,008,021	\$ 869,511	\$ 751,040

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; general liability; unemployment; and employee benefit expenses related to health programs. The District provides for these risks through the purchase of commercial insurance in the General Fund. Settled claims resulting from these risks have not exceeded the insurance coverage during any of the last three fiscal years.

NOTE 11 – JOINTLY GOVERNED ORGANIZATION

The District in conjunction with other surrounding districts, created the Mountain 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. The District does not have an ongoing financial interest in or responsibility for the BOCES. The Financial Statements can be obtained from office located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80461.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state 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, 2023, 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.

Capital Renewal Reserve

The District was awarded two Building Excellent Schools Today (BEST) grants from the state of Colorado to construct and improve school buildings. In accordance with the related state statutes, the District is required to establish a capital renewal reserve for the purpose of replacing major facility systems such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. At a minimum, the District must contribute \$100 per pupil in the impacted facilities annually to the capital renewal reserve. At June 30, 2023, the reserve was reported as restricted fund balance in the Capital Reserve Fund, in the amount of \$827,713.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments, including school districts.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2023 there is a \$592,880 reservation of fund balance in the General Fund for the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 14 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

The School Finance Act requires inclusion of the Colorado School District/BOCES, Electronic Financial Data Integrity Check Figures as a supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

REQUIRED SUPPLEMENTARY INFORMATION

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.1401440140%	0.1498826451%	0.1920338745%	0.1444552620%	0.1424771094%	0.1478421045%	0.1504065926%	0.1554713240%	0.1560696455%	0.1600700181%
District's proportionate share of the net pension liability (asset)	\$ 25,519,475	\$ 17,442,392	\$ 29,031,649	\$ 21,581,303	\$ 25,228,499	\$ 47,806,882	\$ 44,781,859	\$ 23,778,241	\$ 21,152,679	\$ 20,416,888
State's proportionate share of the net pension liability (asset) associated with the School	7,436,632	1,999,547	-	2,737,313	3,449,647	-	-	-	-	-
Total	<u>\$ 32,956,107</u>	<u>\$ 19,441,939</u>	<u>\$ 29,031,649</u>	<u>\$ 24,318,616</u>	<u>\$ 28,678,146</u>	<u>\$ 47,806,882</u>	<u>\$ 44,781,859</u>	<u>\$ 23,778,241</u>	<u>\$ 21,152,679</u>	<u>\$ 20,416,888</u>
District's covered payroll	\$ 10,810,493	\$ 9,367,193	\$ 10,270,240	\$ 8,487,585	\$ 7,736,800	\$ 6,819,674	\$ 6,750,516	\$ 6,775,403	\$ 6,538,195	\$ 6,452,933
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.06%	186.21%	282.68%	254.27%	326.08%	701.01%	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,402,712	\$ 1,937,855	\$ 2,066,107	\$ 1,762,718	\$ 1,556,310	\$ 1,331,472	\$ 1,244,517	\$ 1,193,136	\$ 1,138,738	\$ 1,030,687
Contributions in relation to the contractually required contribution	<u>(2,402,712)</u>	<u>(1,937,855)</u>	<u>(2,066,107)</u>	<u>(1,762,718)</u>	<u>(1,556,310)</u>	<u>(1,331,472)</u>	<u>(1,244,517)</u>	<u>(1,193,136)</u>	<u>(1,138,738)</u>	<u>(1,030,687)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered payroll	\$ 11,789,559	\$ 9,747,762	\$ 10,392,895	\$ 9,095,339	\$ 8,037,025	\$ 7,048,875	\$ 6,769,979	\$ 6,727,654	\$ 6,741,745	\$ 6,448,488
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.36%	18.89%	18.38%	17.73%	16.89%	15.98%

* The amounts presented for each fiscal year were determined as of 6/30.

See the accompanying independent auditors' report.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.1064952196%	0.0978620308%	0.1109527175%	0.0943947886%	0.0926109159%	0.0840019896%
District's proportionate share of the net OPEB liability (asset)	\$ 869,511	\$ 843,869	\$ 1,054,300	\$ 1,060,996	\$ 1,260,010	\$ 1,091,690
District's covered payroll	\$ 10,810,493	\$ 9,367,193	\$ 10,270,240	\$ 8,487,585	\$ 7,736,800	\$ 6,819,674
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.04%	9.01%	10.27%	12.50%	16.29%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 120,255	\$ 99,427	\$ 106,008	\$ 92,772	\$ 82,981	\$ 71,899
Contributions in relation to the contractually required contribution	<u>(120,255)</u>	<u>(99,427)</u>	<u>(106,008)</u>	<u>(92,772)</u>	<u>(82,981)</u>	<u>(71,899)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,789,559	\$ 9,747,762	\$ 10,392,895	\$ 9,095,339	\$ 8,037,025	\$ 7,048,875
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.03%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation is the Colorado Preschool Sub-Fund of the General Fund. This fund allows the District to separate the accounting and maintain a self-balancing set of records specific to this activity.

The General Fund is deemed to be a major fund for financial reporting purposes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Property taxes	\$ 8,186,947	\$ 8,287,040	\$ 8,196,564	\$ (90,476)
Specific ownership taxes	900,000	900,000	1,146,459	246,459
Other local sources	601,538	726,043	638,698	(87,345)
Total local sources	<u>9,688,485</u>	<u>9,913,083</u>	<u>9,981,721</u>	<u>68,638</u>
State sources:				
State equalization	5,802,691	5,709,376	5,735,058	25,682
Other state funding	683,501	742,262	1,478,960	736,698
Total state sources	<u>6,486,192</u>	<u>6,451,638</u>	<u>7,214,018</u>	<u>762,380</u>
Federal sources	<u>385,620</u>	<u>385,119</u>	<u>493,547</u>	<u>108,428</u>
Total revenues	<u>16,560,297</u>	<u>16,749,840</u>	<u>17,689,286</u>	<u>939,446</u>
EXPENDITURES				
Instruction	8,477,875	9,058,024	8,950,243	107,781
Supporting services:				
Student services	841,318	928,129	788,092	140,037
Instructional staff	708,274	608,110	710,583	(102,473)
General administration	1,006,621	1,272,705	989,722	282,983
School administration	1,090,495	985,556	1,149,051	(163,495)
Business services	468,691	515,907	631,274	(115,367)
Operation and maintenance	1,865,438	2,136,107	2,068,634	67,473
Student transportation	459,145	533,869	644,158	(110,289)
Central services	971,298	843,781	810,068	33,713
Other support services	199,442	210,942	261,030	(50,088)
Food service operations	53,299	65,985	65,235	750
Facilities acquisition and construction	39,000	-	1,105	(1,105)
Debt service	1,006,631	1,219,984	208,738	1,011,246
Appropriated reserves	29,857	14,100	-	14,100
Total expenditures	<u>17,217,384</u>	<u>18,393,199</u>	<u>17,277,933</u>	<u>1,115,266</u>
Excess (deficiency) of revenues over expenditures	(657,087)	(1,643,359)	411,353	2,054,712
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	(1,450,649)	(1,450,649)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,450,649)</u>	<u>(1,450,649)</u>
Net change in fund balance	(657,087)	(1,643,359)	(1,039,296)	604,063
Fund balance - beginning	<u>4,774,793</u>	<u>6,526,545</u>	<u>6,512,445</u>	<u>(14,100)</u>
Fund balance - ending	<u>\$ 4,117,706</u>	<u>\$ 4,883,186</u>	<u>\$ 5,473,149</u>	<u>\$ 589,963</u>

See the accompanying independent auditors' report.

GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND

This fund is authorized by Colorado state law for the purpose of accounting for financial assistance from certain state and federal grants.

For financial reporting purposes, the Governmental Designated-Purpose Grants Fund was determined to be a major fund of the District for the current fiscal year.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Local sources	\$ -	\$ -	\$ 306,874	\$ 306,874
State sources	282,517	416,437	346,799	(69,638)
Federal sources	2,245,564	2,748,781	2,658,948	(89,833)
Total revenues	<u>2,528,081</u>	<u>3,165,218</u>	<u>3,312,621</u>	<u>147,403</u>
EXPENDITURES				
Instruction	1,039,285	1,301,209	1,361,806	(60,597)
Supporting services:				
Student services	438,482	548,990	574,556	(25,566)
Instructional staff	437,125	547,291	572,778	(25,487)
General administration	31,322	39,215	41,042	(1,827)
School administration	120,197	150,490	157,498	(7,008)
Business services	41,077	51,430	53,825	(2,395)
Operation and maintenance	50,680	63,453	66,408	(2,955)
Central services	114,422	143,259	149,930	(6,671)
Food service operations	21,295	26,662	27,904	(1,242)
Community services	234,196	293,219	306,874	(13,655)
Total expenditures	<u>2,528,081</u>	<u>3,165,218</u>	<u>3,312,621</u>	<u>(147,403)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOND REDEMPTION FUND

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt.

The Bond Redemption Fund is deemed to be a major fund for financial reporting purposes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Property taxes	\$ 1,950,000	\$ 1,963,243	\$ 13,243
Specific ownership taxes	-	6,382	6,382
Other local sources	950	47,086	46,136
	<u>1,950,950</u>	<u>2,016,711</u>	<u>65,761</u>
Total revenues	<u>1,950,950</u>	<u>2,016,711</u>	<u>65,761</u>
EXPENDITURES			
Debt service	1,925,232	1,925,232	-
Appropriated reserves	2,047,907	-	2,047,907
	<u>3,973,139</u>	<u>1,925,232</u>	<u>2,047,907</u>
Total expenditures	<u>3,973,139</u>	<u>1,925,232</u>	<u>2,047,907</u>
Net change in fund balance	(2,022,189)	91,479	2,113,668
Fund balance - beginning	<u>2,022,189</u>	<u>2,022,189</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,113,668</u>	<u>\$ 2,113,668</u>

See the accompanying independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for significant capital expenditures of the District.

The Capital Projects Fund is deemed to be a major fund for financial reporting purposes.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources	\$ 20,500	\$ 22,454	\$ 1,954
EXPENDITURES			
Instruction	100,000	144,685	(44,685)
Supporting services	-	168,068	(168,068)
Facilities acquisition and construction	580,458	795,243	(214,785)
Appropriated reserves	1,545,967	-	1,545,967
Total expenditures	<u>2,226,425</u>	<u>1,107,996</u>	<u>1,118,429</u>
Excess (deficiency) of revenues over expenditures	<u>(2,205,925)</u>	<u>(1,085,542)</u>	<u>1,120,383</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	892,002	1,250,367	358,365
Net change in fund balance	(1,313,923)	164,825	1,478,748
Fund balance - beginning	<u>1,313,923</u>	<u>1,313,923</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,478,748</u>	<u>\$ 1,478,748</u>

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. These funds may be required by statute or ordinance and others may be established through resolutions by the Board of Education for purposes of better administration. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Student Activity Fund

This fund accounts for the transactions of student organizations and clubs.

Preschool Fund

This fund accounts for locally funded preschool activities.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Food Service Fund	Student Activity Fund	Preschool Fund	
ASSETS				
Cash and investments	\$ 55,697	\$ 307,300	\$ 303,771	\$ 666,768
Intergovernmental receivables	30,044	-	-	30,044
Inventories and prepaids	6,797	-	-	6,797
Total assets	\$ 92,538	\$ 307,300	\$ 303,771	\$ 703,609
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 649	\$ -	\$ -	\$ 649
Accrued salaries and benefits	25,584	-	-	25,584
Due to other funds	25,493	-	16,993	42,486
Total liabilities	51,726	-	16,993	68,719
FUND BALANCES				
Nonspendable	6,797	-	-	6,797
Committed for:				
Food service operations	34,015	-	-	34,015
Pupil activities	-	307,300	-	307,300
Preschool activities	-	-	286,778	286,778
Total fund balances	40,812	307,300	286,778	634,890
Total liabilities and fund balances	\$ 92,538	\$ 307,300	\$ 303,771	\$ 703,609

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Food Service Fund	Student Activity Fund	Preschool Fund	
REVENUES				
Local sources	\$ 179,671	\$ 971,527	\$ 36,729	\$ 1,187,927
State sources	5,755	-	-	5,755
Federal sources	331,537	-	-	331,537
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	516,963	971,527	36,729	1,525,219
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Instruction	-	1,077,510	-	1,077,510
Supporting services	-	12,798	21,632	34,430
Food service operations	831,563	-	-	831,563
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	831,563	1,090,308	21,632	1,943,503
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(314,600)	(118,781)	15,097	(418,284)
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	200,282	-	-	200,282
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(114,318)	(118,781)	15,097	(218,002)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	155,130	426,081	271,681	852,892
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ 40,812</u>	<u>\$ 307,300</u>	<u>\$ 286,778</u>	<u>\$ 634,890</u>

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 34,420	\$ 179,671	\$ 145,251
State sources	3,744	5,755	2,011
Federal sources	584,497	331,537	(252,960)
	<u>622,661</u>	<u>516,963</u>	<u>(105,698)</u>
EXPENDITURES			
Food service operations	868,930	831,563	37,367
Appropriated reserves	46,113	-	46,113
	<u>915,043</u>	<u>831,563</u>	<u>83,480</u>
Excess (deficiency) of revenues over expenditures	(292,382)	(314,600)	(22,218)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	137,252	200,282	63,030
	<u>137,252</u>	<u>200,282</u>	<u>63,030</u>
Net change in fund balance	(155,130)	(114,318)	40,812
Fund balance - beginning	155,130	155,130	-
	<u>155,130</u>	<u>155,130</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 40,812</u>	<u>\$ 40,812</u>

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STUDENT ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 789,000	\$ 971,527	\$ 182,527
EXPENDITURES			
Instruction	779,000	1,077,510	(298,510)
Supporting services	10,000	12,798	(2,798)
Appropriated reserves	426,081	-	426,081
Total expenditures	1,215,081	1,090,308	124,773
Net change in fund balance	(426,081)	(118,781)	307,300
Fund balance - beginning	426,081	426,081	-
Fund balance - ending	\$ -	\$ 307,300	\$ 307,300

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
PRESCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 72,025	\$ 36,729	\$ (35,296)
EXPENDITURES			
Supporting services	16,757	21,632	(4,875)
Appropriated reserves	326,949	-	326,949
Total expenditures	343,706	21,632	322,074
Net change in fund balance	(271,681)	15,097	286,778
Fund balance - beginning	271,681	271,681	-
Fund balance - ending	\$ -	\$ 286,778	\$ 286,778

See the accompanying independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District in a trustee capacity. The District has the following Fiduciary Fund:

Private-Purpose Trust Scholarship Fund

This fund was created to account for scholarships.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
PRIVATE-PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget
ADDITIONS			
Investment income	\$ 575	\$ 614	\$ 39
Other local income	9,200	6,454	(2,746)
Total additions	<u>9,775</u>	<u>7,068</u>	<u>(2,707)</u>
DEDUCTIONS			
Scholarship awards	4,400	431	3,969
Appropriated reserves	76,551	-	76,551
Total deductions	<u>80,951</u>	<u>431</u>	<u>3,969</u>
Change in net position	(71,176)	6,637	77,813
Net position - beginning	<u>71,176</u>	<u>71,176</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 77,813</u>	<u>\$ 77,813</u>

See the accompanying independent auditors' report.

SINGLE AUDIT

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Additional Award Identification	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
<i>Child Nutrition Cluster</i>					
Passed Through Colorado Department of Education					
School Breakfast Program	10.553		4553	\$ -	\$ 32,416
National School Lunch Program	10.555		4555, 6555		206,040
Passed Through Colorado Department of Human Services					
National School Lunch Program	10.555		4555		15,892
<i>Total Child Nutrition Cluster</i>					254,348
Passed Through Colorado Department of Public Health & Environment					
Child and Adult Care Food Program	10.558		4558		76,561
Passed Through Colorado Department of Education					
Pandemic EBT Administrative Costs	10.649	COVID-19	4649		628
Total U.S. Department of Agriculture					331,537
National Endowment for the Humanities					
Passed Through Colorado Department of Education					
Grants to State	45.310		7310		2,521
U.S. Department of Education					
Passed Through Colorado Department of Education					
No Child Left Behind, Title I, Part A	84.010		4010, 5010		339,301
Student Support and Academic Enrichment Program	84.424A		4424		13,056
Education Stabilization Fund			4414, 4429,		
ESSER III	84.425U	COVID-19	9414		660,131
Total U.S. Department of Education					1,012,488
U.S. Department of Health and Human Services					
Direct Programs					
Head Start	93.600		8600		1,532,722
Child Care and Development Block Grant	93.575		7575		111,928
Total U.S. Department of Health and Human Services					1,644,650
Total Federal Awards				\$ -	\$ 2,991,196

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Salida School District Number R-32-J under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Salida School District Number R-32-J, it is not intended to and does not present the financial position, changes in net position, or cash flows of Salida School District Number R-32-J.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

Salida School District Number R-32-J has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2023, Salida School District Number R-32-J received \$15,892 in non-cash assistance in the form of food commodities. Valuation of commodities is based on fair market value at the time of receipt.



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

To the Board of Education
Salida School District Number R-32-J

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Salida School District Number R-32-J, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Salida School District Number R-32-J's basic financial statements, and have issued our report thereon dated October 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Salida School District Number R-32-J's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Salida School District Number R-32-J's internal control. Accordingly, we do not express an opinion on the effectiveness of Salida School District Number R-32-J's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Salida School District Number R-32-J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Hoelting & Company, Inc.

Colorado Springs, Colorado
October 28, 2023



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Salida School District Number R-32-J

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Salida School District Number R-32-J’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Salida School District Number R-32-J’s major federal programs for the year ended June 30, 2023. Salida School District Number R-32-J’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Salida School District Number R-32-J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Salida School District Number R-32-J and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Salida School District Number R-32-J’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Salida School District Number R-32-J’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Salida School District Number R-32-J's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Salida School District Number R-32-J's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Salida School District Number R-32-J's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Salida School District Number R-32-J's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Salida School District Number R-32-J's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies

in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Haeltling & Company, Inc.

Colorado Springs, Colorado
October 28, 2023

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes x no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
ALN 93.600	Head Start
ALN 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs? \$750,000

Auditee qualified as low-risk auditee? x yes ___ no

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II—Financial Statement Findings

No findings reported.

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.

**SALIDA SCHOOL DISTRICT NUMBER R-32-J
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the Salida School District Number R-32-J Schedule of Findings and Questioned Costs for the year ended June 30, 2022. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2023 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

There were no prior year audit findings.

STATE COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON COLORADO SCHOOL
DISTRICT/BOCES AUDITOR'S INTEGRITY REPORT**

To the Board of Education
Salida School District Number R-32-J

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Salida School District Number R-32-J's basic financial statements as listed in the table of contents. Our report thereon, dated October 28, 2023, expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salida School District Number R-32-J's basic financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Colorado Springs, Colorado
October 28, 2023



Colorado Department of Education
Auditors Integrity Report
 District: 0500 - Salida R-32
 Fiscal Year 2022-23
 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	6,498,345	15,822,074	16,847,269	5,473,150
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	14,100	416,563	430,663	0
Sub- Total	6,512,445	16,238,637	17,277,932	5,473,150
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	271,681	36,729	21,632	286,778
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	155,130	717,246	831,563	40,812
22 Govt Designated-Purpose Grants Fund	0	3,312,621	3,312,621	0
23 Pupil Activity Special Revenue Fund	426,081	971,527	1,090,308	307,300
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,022,189	2,016,710	1,925,232	2,113,668
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	1,313,922	1,272,821	1,107,995	1,478,748
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	10,701,449	24,566,291	25,567,283	9,700,456
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	71,176	7,069	431	77,813
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	71,176	7,069	431	77,813

FINAL