

cPa DIXON, WALLER & CO., INC.

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LAS ANIMAS COUNTY SCHOOL

DISTRICT RE-1

TRINIDAD, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2023

# DIXON, WALLER & CO., INC.

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LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2023

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BOARD OF EDUCATION

James Sanchez	President
Ed Romero	Vice President
James Casias	Treasurer
Karen Montera	Secretary
Deborah Hartman	Member

SCHOOL OFFICIALS

Bonnie Aaron	Superintendent
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## FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

### **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Las Animas County School District Number RE-1  
Trinidad, CO 81082

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Las Animas County School District Number RE-1, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1, as of June 30, 2023, and the respective changes in financial position thereof 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. 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 Las Animas County School District Number RE-1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Las Animas County School District Number RE-1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 Las Animas County School District Number RE-1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Animas County School District Number RE-1's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and post employment benefits trend data 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 an opinion on the financial statements that collectively comprise Las Animas County School District Number RE-1's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, state required schedules, and 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 fund financial statements, other schedules, state required schedules, and 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 November 24, 2023, on our consideration of Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Dixon, Waller & Co., Inc.".

November 24, 2023

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS-WORKING**

This discussion and analysis of Trinidad School District #1's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

Las Animas County School District RE-1 (Trinidad School District 1) is located in southern Colorado along the I-25 corridor. This district has a funded pupil count of 841.3 based on three-year state averaging as of October 1, 2022, compared to the 883.6 the prior year.

**FINANCIAL HIGHLIGHTS**

Funding from the Public School Finance Act totaled \$6,962,965 for 2022-2023 compared to \$6,978,575 the prior year. Public School Finance Act funding decreased by \$15,610 due to a decrease in per pupil funding. Public School Finance Act funding makes up 74% of the district's governmental fund revenue (excluding the BEST grant) reported on the Fund Financial Statements. The share of property taxes collected at the local level is \$2,680,468 for 2022-2023 compared to \$2,391,101 the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements consist of three components:

- 1) Districtwide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

This report also contains the required supplementary and other additional information in addition to the basic financial statements.

**Districtwide Financial Statements**

The Districtwide 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. They consist of two statements:

- 1) The statement of Net Position presents information on all the district's assets, deferred flows, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- 2) The Statement of Activities presents information reporting how the District's net position changed during the most recent fiscal 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 related cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both Districtwide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or significant portion of their costs through user fees and charges (business-type activities).

**Governmental Activities**-these activities are financed through local revenues including property taxes, state revenues made up primarily of state equalization under the Public-School Finance Act, and grants from local, state, and federal sources. Expenditures are classified by programs (also known as functions), which include instruction, student support, instructional staff support, district and school administration, business and central services, transportation, facilities operation and maintenance, food service, other support, capital outlay, debt service and amortization of pension costs.

**Business Type Activities**-For the current fiscal year, the District has no business type activities.

The two statements report the District's net position and changes in net position. The change in net position is important because it identifies whether the financial position of the district has improved or diminished as a whole. This change could be a result of many factors including state funding changes, enrollment levels, interest rates, facility conditions, unfunded mandated programs, and numerous other factors.

### **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories:

- Governmental
- Proprietary
- Fiduciary

**Governmental funds** account for essentially the same functions reported as governmental activities in the districtwide financial statements. Unlike the districtwide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the District's general government operations and may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than districtwide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the districtwide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund Balance Sheet and the Statement of Reserves, Expenditures and Changes in Fund Balance.

The District maintains six individual governmental funds including General Fund, Designated Purpose Grants Fund, Food Service Fund, Student Activities (Co-curricular) Fund, Building Capital Project Fund, and the Debt Service Bond Redemption Fund. Information is presented separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance for the

District's major funds. Data from other non-major governmental funds are combined into a single, aggregated presentation. Combining statements for the individual non-major governmental funds are presented elsewhere in the report.

***Proprietary funds*** are Enterprise funds used to report the same functions presented as business-type activities in the districtwide financial statements. The District has no proprietary funds.

***Fiduciary funds*** are to be used to account for resources held for the benefit of others. Fiduciary funds are not reported in the districtwide financial statements because the resources of those funds are not available for the support of the District's own programs. The District currently has no Custodial Funds.

#### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information essential to a full understanding of data provided in the districtwide and fund financial statements.

#### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule is provided for each fund to demonstrate compliance with the budget.

## DISTRICTWIDE FINANCIAL ANALYSIS

### Statement of Net Position

The Statement of Net Position presents information on all the district's assets, liabilities and deferred flows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

Comparative data for the 2022-2023 and 2021-2022 fiscal years are presented below:

	June 30, 2023	June 30, 2022	Net Change
<b>Assets</b>			
Current and other	14,395,587	13,052,105	1,343,482
Capital (net)	21,747,936	21,848,936	(101,000)
<b>Total Assets</b>	<b>36,143,523</b>	<b>34,901,041</b>	<b>1,242,482</b>
<b>Deferred Outflow of Resources</b>			
Deferred Refunding	0	0	0
Deferred Pension	2,731,947	2,235,805	496,142
Other Post Employment Benefits	85,261	68,486	16,775
<b>Total Deferred Outflow of Resources</b>	<b>2,817,208</b>	<b>2,304,291</b>	<b>512,917</b>
<b>Liabilities</b>			
Current	1,859,315	1,567,341	291,974
Non-current (debt)	21,052,857	19,773,812	1,279,045
<b>Total Liabilities</b>	<b>22,912,172</b>	<b>21,341,153</b>	<b>1,571,019</b>
<b>Deferred Inflow of Resources</b>			
Deferred Pension	2,448,894	4,927,009	(2,478,115)
Other Post Employment Benefits	268,607	283,586	(14,979)
<b>Total Deferred Inflow of Resources</b>	<b>2,717,501</b>	<b>5,210,595</b>	<b>(2,493,094)</b>
<b>Net Position</b>			
Net Investment in Capital Assets	14,912,936	14,154,652	758,284
Restricted	5,158,544	5,037,886	120,658
Unrestricted	(6,740,422)	(8,538,955)	1,798,533
<b>Total Net Position</b>	<b>13,331,058</b>	<b>10,653,583</b>	<b>2,677,475</b>

#### Highlights from the Statement of Net Position

- Current assets decreased by \$1,242,482 due to a decrease in grants and stimulus funds.
- Capital assets decreased by \$101,000.
- Current liabilities increased by \$1,571,019.
- Noncurrent liabilities increased by \$1,279,045.
- Deferred outflow of resources increased by \$512,917 while deferred inflows decreased \$2,493,094.

## Statement of Activities

The Statement of activities presents information regarding how the District's net position changed during the fiscal year.

	June 30, 2023	June 30, 2022	Net Change
<b>PROGRAM REVENUES</b>			
Charges for Services	85,923	167,390	(81,467)
Operating Grants/Contributions	3,602,729	3,332,675	270,054
Capital Grants/Contributions	548,511	1,759,914	(1,211,403)
<b>GENERAL REVENUES</b>			
Property Taxes	2,680,468	2,391,101	289,367
Specific Ownership Tax	459,182	408,449	50,733
State Equalization	6,962,965	6,978,575	(15,610)
Earnings on Investment	162,381	16,886	145,495
Other Revenues	100,994	302,417	(201,423)
Changes in Pension & OPEB	944,319	5,366,338	(4,422,019)
Gain on Sale of Assets	366,254	0	366,254
<b>TRANSFERS</b>			
<b>Total Revenue &amp; Transfers</b>	<b>15,913,726</b>	<b>20,723,745</b>	<b>(4,810,019)</b>
<b>EXPENDITURES</b>			
<b>INSTRUCTION</b>	6,960,745	5,933,664	1,027,081
<b>SUPPORT SERVICES</b>			
Students	1,483,374	1,184,642	298,732
Instructional Staff	193,431	168,364	25,067
District Administration	324,887	333,872	(8,985)
School Administration	958,510	797,934	160,576
Business	268,919	322,772	(53,853)
Maintenance & Operations	1,267,840	1,117,973	149,867
Transportation	400,545	316,392	84,153
Central Support	628,459	529,967	98,492
Food Service	509,157	460,544	48,613
Other Support	54,839	9,335	45,504
<b>Capital Outlay</b>	-	374,032	(374,032)
Interest on Long Term Debt	185,546	207,975	(22,429)
<b>Total Expenditures/Expense</b>	<b>13,236,252</b>	<b>11,757,466</b>	<b>1,478,786</b>
<b>Change in Net Position</b>	<b>2,677,474</b>	<b>8,966,279</b>	<b>(6,288,805)</b>
<b>Net Position-Beginning</b>	<b>10,653,584</b>	<b>1,687,305</b>	<b>8,966,279</b>
<b>Net Position-Ending</b>	<b>13,331,058</b>	<b>10,653,584</b>	<b>2,677,474</b>

### Highlights from the Statement of Activities

- Net position increased by \$2,677,474 during 2022-2023 compared to \$8,966,280 the prior year.
- Revenues decreased \$(4,810,019) primarily due to reduction in capital grants/contributions as well as changes in pension & OPEB.
- Expenditures increased \$1,478,786 because of increased along with higher operational requirements.

### GOVERNMENTAL ACTIVITIES

The primary source of operating revenue for the district is the Public-School Finance Act whereby the district received per pupil funding of \$10,465.11 for 2022-2023 compared to \$9,962.95 the prior year. The district's average funded pupil count for 2022-2023 was 841.3 compared to 883.6 for 2021-2022. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization. The district also receives a significant portion of its revenue from local, state, and federal grants. The district uses these sources to fund its programs, related services, and service debt.

The table below shows the approximate percentages for revenue sources and uses from governmental activities:

SOURCE OF REVENUE	2022-2023	2021-2022	
State Equalization	6,962,965	6,978,575	44%
Property Tax	2,680,468	2,391,101	16%
Specific Ownership Tax	459,182	408,449	3%
Grants	3,602,729	4,957,203	23%
All other	2,208,382	622,079	14%
	15,913,726	15,357,407	100%
USE OF REVENUE	2022-2023	2021-2022	
Instruction	5,271,288	5,055,545	40%
Support Services	4,276,312	5,192,247	32%
Debt Service	548,511	701,612	4%
Capital Outlay	3,140,141	2,454,049	24%
Other			
	13,236,252	13,403,453	100%

Sources of revenues increased to \$15,913,726 for 2022-2023 compared to \$ 15,357,407 the prior year.

Use of revenues changed significantly from the prior year due to changes in liabilities, inflows and outflows related to the district's share of PERA pension and other post-employment benefits reported as other expenses. Total use of revenues decreased to \$13,236,252 for 2022-2023 compared to \$13,403,453 the prior year. Expenditures for instruction and support services has increased over the past year.

The governmental expenditures schedule below shows Total Cost of Service compared to Net Cost of Service after allocating charges for services and grants and contributions to the area of service that generated the revenue. Total costs for services has increased over the prior year by \$2,027,297.00

	2022-2023	2022-2023	2021-2022	2021-2022
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional Services	6,960,745	5,271,288	5,933,664	4,013,566
Students	1,483,374	260,074	1,184,642	392,178
Instructional Staff	193,431	184,429	168,364	164,842
District Administration	324,887	313,172	333,872	327,985
School Administration	958,510	916,067	797,934	781,441
Business	268,919	261,991	322,772	318,388
Operations and Maintenance	1,267,840	1,213,796	1,117,973	947,581
Transportation	400,545	328,198	316,392	311,911
Central	628,459	623,639	529,967	528,260
Food Service	509,157	-65,439	460,544	(120,093)
Other	54,839	54,839	9,335	9,335
Capital Outlay		-548,511	374,032	(1,385,882)
Interest on Long Term Liability	185,546	185,546	207,975	207,975
<b>Total</b>	<b>13,236,252</b>	<b>8,999,089</b>	<b>11,757,466</b>	<b>6,497,487</b>

## BUSINESS-TYPE ACTIVITIES

The District did not have any business-type activities in the 2022-2023 fiscal year.

## CAPITAL ASSET AND LONG-TERM DEBT

**Capital assets:** The District owns land with a carrying value of \$712,780 and building and improvements capitalized at \$35,054,142 as of June 30, 2023. Vehicles and equipment totaled \$2,711,407. Food service equipment totaled \$494,700. Construction in progress at year end was \$831,137. The net carrying value of capital assets after subtracting accumulated depreciation is \$21,747,936. Depreciation for 2022-2023 totaled \$944,101.

**Long-term debt:** In August 2013, the District issued \$1,250,000 in Certificates of Participation with an interest rate of 3%. The proceeds were used to complete major building improvements to reduce energy consumption and the related operating costs. The balance due at June 30, 2023 was \$6,835,000. GO Bond Series 2020 was issued in the amount of \$7,095,000 to be set as the District match for a BEST Grant. The balance at year end was \$7,095,000. See notes to the financial statements for additional information regarding annual payments under these debt obligations.

## BUDGET HIGHLIGHTS

District budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The district amended its budgets during the year to reflect unexpected increase in revenue and other changes deemed material. Budget presentations include both original and final budgets for the fiscal year. Revenues in the General Fund were \$309,551 more than expected. Expenditures were more than the amount budgeted, a variance of \$138,805.



## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be in writing addressed to Superintendent Dr. Bonnie Aaron at:

Trinidad School District #1  
612 Park Street  
Trinidad, CO 81082  
719-846-3324

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF NET POSITION  
June 30, 2023

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	12,983,189	12,983,189
Accounts Receivable	388,298	388,298
Accrued Revenue	812,815	812,815
Property Taxes Receivable	204,000	204,000
Inventories	7,285	7,285
Capital Assets	39,804,166	39,804,166
Accumulated Depreciation	(18,056,230)	(18,056,230)
<u>Total Assets</u>	<u>36,143,523</u>	<u>36,143,523</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension	2,731,947	2,731,947
Other Post Employment Benefits	85,261	85,261
<u>Total Deferred Outflows</u>	<u>2,817,208</u>	<u>2,817,208</u>
<u>LIABILITIES</u>		
Accounts Payable	743,416	743,416
Accrued Salaries and Benefits	764,631	764,631
Grant Amounts Received in Advance	326,926	326,926
Accrued Interest Payable	24,342	24,342
NonCurrent Liabilities:		
Compensated Absences	539,368	539,368
Capital Lease	-	-
Bond Payments Due Within One Year	275,000	275,000
Bond Due In More Than One Year	6,560,000	6,560,000
Certificates of Participation Due Within One Year	-	-
Certificates of Participation Due In More Than One Year	-	-
Net Pension Liability	12,212,132	12,212,132
Net Other Post Employment Benefits Liability	415,546	415,546
Unamortized Bond Premium	1,050,811	1,050,811
<u>Total Liabilities</u>	<u>22,912,172</u>	<u>22,912,172</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	2,448,894	2,448,894
Other Post Employment Benefits	268,607	268,607
<u>Total Deferred Inflows</u>	<u>2,717,501</u>	<u>2,717,501</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	14,912,936	14,912,936
Restricted for:		
TABOR Reserve	375,000	375,000
Capital Outlay	3,635,314	3,635,314
Preschool	44,077	44,077
Food Service	349,676	349,676
Debt Service	754,477	754,477
Unrestricted	(6,740,422)	(6,740,422)
<u>TOTAL NET POSITION</u>	<u>13,331,058</u>	<u>13,331,058</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

		Net (Expenses) Revenue and Changes in Net Position			
		Program Revenues		Primary Government	
		Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities Total
<u>FUNCTIONS</u>	<u>Expenses</u>				
Instructional Services	6,960,745	44,780	1,644,677	-	(5,271,288) (5,271,288)
Supporting Services:					
Students	1,483,374	-	1,223,300	-	(260,074) (260,074)
Instructional Staff	193,431	-	9,002	-	(184,429) (184,429)
District Administration	324,887	-	11,715	-	(313,172) (313,172)
School Administration	958,510	-	42,443	-	(916,067) (916,067)
Business	268,919	-	6,928	-	(261,991) (261,991)
Operation & Maintenance of Facilities	1,267,840	31,465	22,579	-	(1,213,796) (1,213,796)
Transportation	400,545	-	72,347	-	(328,198) (328,198)
Central Support	628,459	-	4,820	-	(623,639) (623,639)
Food Service	509,157	9,678	564,918	-	65,439 65,439
Other Support	54,839	-	-	-	(54,839) (54,839)
Capital Outlay	-	-	-	548,511	548,511 548,511
Interest on Long-Term Debt	185,546	-	-	-	(185,546) (185,546)
Total Governmental Activities	13,236,252	85,923	3,602,729	548,511	(8,999,089) (8,999,089)
Total School District	13,236,252	85,923	3,602,729	548,511	(8,999,089) (8,999,089)
<u>General Revenues</u>					
		Property Taxes Levied for General Purposes			
		Specific Ownership Taxes			
		Equalization			
		Earnings on Investments			
		Other Revenues			
		Changes in Pension and OPEB			
		Gain on Property Sale			
		Total General Revenues and Transfers			
		2,680,468 2,680,468			
		459,182 459,182			
		6,962,965 6,962,965			
		162,381 162,381			
		100,994 100,994			
		944,319 944,319			
		366,254 366,254			
		11,676,563 11,676,563			
Change in Net Position		2,677,474 2,677,474			
Net Position, Beginning		10,653,584 10,653,584			
Net Position, Ending		13,331,058 13,331,058			

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	<u>General</u>	<u>Designated Purpose Grants</u>	<u>Building Capital Project Fund</u>
<u>ASSETS</u>			
Cash and Equivalents	7,908,071	-	3,845,933
Accounts Receivable	24,128	-	302,164
Accrued Revenue	-	812,815	-
Due From Other Funds	941,409	-	141,472
Property Taxes Receivable	160,000	-	-
Inventories	-	-	-
Other	-	-	-
<u>Total Assets</u>	<u>9,033,608</u>	<u>812,815</u>	<u>4,289,569</u>
<u>LIABILITIES:</u>			
Accounts Payable	84,525	2,941	654,255
Accrued Salaries and Benefits	734,024	18,265	-
Due To Other Funds	140,623	791,609	-
Deposits Held	600	-	-
Grant Amounts Received in Advance	326,926	-	-
<u>Total Liabilities</u>	<u>1,286,698</u>	<u>812,815</u>	<u>654,255</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Tax	<u>80,186</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	-	-
Restricted:			
Emergency Reserve	375,000	-	-
Capital Outlay	-	-	3,635,314
Food Service	-	-	-
Preschool	44,077	-	-
Debt Service	-	-	-
Committed:			
Scholarships	39,826	-	-
Contingencies	2,000,000	-	-
Capital Outlay - Transportation	251,989	-	-
Assigned:			
Student Activities	-	-	-
Unassigned	<u>4,955,832</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>7,666,724</u>	<u>-</u>	<u>3,635,314</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>9,033,608</u>	<u>812,815</u>	<u>4,289,569</u>

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

<u>Debt Service Bond Redemption</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
733,739	495,446	12,983,189
-	62,006	388,298
-	-	812,815
-	-	1,082,881
44,000	-	204,000
-	7,285	7,285
-	-	-
<u>777,739</u>	<u>564,737</u>	<u>15,478,468</u>
-	1,095	742,816
-	12,342	764,631
-	150,649	1,082,881
-	-	600
-	-	326,926
-	<u>164,086</u>	<u>2,917,854</u>
<u>23,262</u>	-	<u>103,448</u>
-	7,285	7,285
-	-	375,000
-	-	3,635,314
-	349,676	349,676
-	-	44,077
754,477	-	754,477
-	-	39,826
-	-	2,000,000
-	-	251,989
-	43,690	43,690
-	-	4,955,832
<u>754,477</u>	<u>400,651</u>	<u>12,457,166</u>
<u>777,739</u>	<u>564,737</u>	<u>15,478,468</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2023

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

<u>Total Fund Balance – Governmental Funds</u>	12,457,166
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$39,804,166 and the accumulated depreciation is \$18,056,230.	21,747,936
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.”	103,448
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(24,342)
Discounts and premiums on bonds sold are capitalized in the entity wide statements. These are unamortized amounts of original issue premiums and discounts at year end.	
Premium	(1,050,811)
Long-term liabilities, including leases, certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in the funds.	(6,835,000)
Compensated absences are not reported as a liability in the funds.	(539,368)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(12,212,132)
Net Other Post Employment Benefits Liability	(415,546)
Deferred Outflows	2,817,208
Deferred Inflows	<u>(2,717,501)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>13,331,058</u>

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



LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2023

	<u>General</u>	<u>Designated Purpose Grants</u>	<u>Building Capital Project Fund</u>
<u>REVENUES</u>			
Property Taxes	2,111,218	-	-
Specific Ownership Taxes	459,182	-	-
Earnings on Investments	22,370	-	123,830
Other Local Sources	174,132	-	-
State Aid	8,073,029	-	548,511
Federal Aid	-	<u>1,816,938</u>	-
<u>Total Revenues</u>	<u>10,839,931</u>	<u>1,816,938</u>	<u>672,341</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	4,922,080	708,811	-
Supporting Services:			
Students	611,032	1,108,127	-
Instructional Staff	193,431	-	-
District Administration	324,887	-	-
School Administration	958,510	-	-
Business	268,919	-	-
Operation & Maintenance of Facilities	1,261,580	-	-
Transportation	598,890	-	-
Food Service	-	-	-
Central	677,438	-	-
Other	-	-	-
Debt Service			
Principal	599,284	-	-
Interest	8,134	-	-
Capital Outlay	-	-	<u>831,137</u>
<u>Total Expenditures</u>	<u>10,424,185</u>	<u>1,816,938</u>	<u>831,137</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>415,746</u>	<u>-</u>	<u>(158,796)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(333,962)	-	235,032
Sale of Property	<u>850,000</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>516,038</u>	<u>-</u>	<u>235,032</u>
<u>NET CHANGE IN FUND BALANCES</u>	931,784	-	76,236
<u>FUND BALANCES – BEGINNING</u>	<u>6,734,940</u>	<u>-</u>	<u>3,559,078</u>
<u>FUND BALANCES – ENDING</u>	<u>7,666,724</u>	<u>-</u>	<u>3,635,314</u>

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

<u>Debt Service Bond Redemption</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
562,122	-	2,673,340
-	-	459,182
14,879	1,302	162,381
2,169	123,091	299,392
-	2,556	8,624,096
-	<u>560,696</u>	<u>2,377,634</u>
<u>579,170</u>	<u>687,645</u>	<u>14,596,025</u>
-	260,603	5,891,494
-	5,430	1,724,589
-	-	193,431
-	-	324,887
-	-	958,510
-	-	268,919
-	-	1,261,580
-	-	598,890
-	506,878	506,878
900	-	678,338
-	-	-
260,000	-	859,284
298,600	-	306,734
-	-	831,137
<u>559,500</u>	<u>772,911</u>	<u>14,404,671</u>
<u>19,670</u>	<u>(85,266)</u>	<u>191,354</u>
-	98,930	-
-	-	850,000
-	<u>98,930</u>	<u>850,000</u>
19,670	13,664	1,041,354
<u>734,807</u>	<u>386,987</u>	<u>11,415,812</u>
<u>754,477</u>	<u>400,651</u>	<u>12,457,166</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	1,041,354
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	1,326,847	
Proceeds from Building Sale	(850,000)	
Gain on Building Sale	366,254	
Depreciation Expense	<u>(944,101)</u>	(101,000)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities.	7,128
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The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrued in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	859,284	
Debt Proceeds	-	
Premium Amortization	118,162	
Amortization of Deferred Refunding	-	
Interest Expense	<u>3,026</u>	980,472

Compensated absences change in the period based on amounts earned or paid.

Net Change in Compensated Absences	(194,799)
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The increase or decrease in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension Cost	840,515	
Other Post Employment Benefits Cost	<u>103,804</u>	<u>944,319</u>

<u>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	<u>2,677,474</u>
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The accompanying notes are an integral part of these financial statements.

## NOTES TO BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Las Animas County School District Number RE-1 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Las Animas County School District Number RE-1. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (*GASB No. 14*) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Bond Redemption, Capital Project and Designated Purpose Grants Special Revenue Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.    Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Designated Purpose Grants - Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, Every Student Succeeds Act programs which must be expended as designated by the grantor agency.
4. Capital Project – Building Fund – used to account for the cost of capital projects funded by debt, grants and other resources.

E.    Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.



LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.      Receivables

Property taxes levied in 2022 but uncollected in 2023 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2023 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.      Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H.      Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.      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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and governmental balance sheets 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.

J.      Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K.      Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1996 the registered voters approved a ballot resolution authorizing Las Animas County School District Number RE-1 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2023 the District reserved \$375,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2022 property tax calendar for Las Animas County was as follows:

Levy Date	December 15, 2022
Lien Date	January 1, 2023
Tax Bills Mailed	January 1, 2023
First Installment Due	February 28, 2023
Second Installment Due	June 15, 2023
If Paid in Full, Due	April 29, 2023
Tax Sale – 2021 Delinquent Property Taxes	October 25, 2022

M.      Compensated Absences

The District affords all full time classified employees vacation and sick pay benefits and certified staff annual leave benefit. Vacation benefits can accumulate up to 40 days and are carried forward to subsequent years and paid upon retirement or termination. Sick pay and annual leave benefits can accumulate up to 90 days and are carried forward to subsequent years. Sick pay and annual leave benefits are paid upon retirement, if certain requirements are met, at prescribed rates as described in the negotiated policies. All of these benefits are measured based on established District policy and generally accepted accounting principles.

The compensated absence liability is reported in the governmental activity column of the government-wide financial statements. For the governmental fund financial statements, the recognition of this liability is limited to the amount expected to be paid using expendable available resources.

A summary of changes in compensated absences is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Government Funds	<u>344,569</u>	<u>-</u>	<u>194,799</u>	<u>539,368</u>
Total	<u>344,569</u>	<u>-</u>	<u>194,799</u>	<u>539,368</u>

N.      Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O.     Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

P.     GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority).
4. Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.     GASB Statement No. 54 (Continued)

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First Non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	General Fund	Designated Purpose Grant Fund	Bond Redemption Fund	Building Fund	Food Service Fund	Pupil Activity Fund	Total Governmental Funds
<u>Nonspendable:</u>							
Inventories	-	-	-	-	7,285	-	7,285
<u>Restricted:</u>							
Emergencies	375,000	-	-	-	-	-	375,000
Preschool	44,077	-	-	-	-	-	44,077
Capital Outlay	-	-	-	3,635,314	-	-	3,635,314
Debt Service	-	-	754,477	-	-	-	754,477
Food Service	-	-	-	-	349,676	-	349,676
<u>Committed:</u>							
Contingency, Capital Outlay, Scholarships	2,291,815	-	-	-	-	-	2,291,815
<u>Assigned:</u>							
Pupil Activities	-	-	-	-	-	43,690	43,690
<u>Unassigned</u>	<u>4,955,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,955,832</u>
<u>Total Fund Balances</u>	<u>7,666,724</u>	<u>-</u>	<u>754,477</u>	<u>3,635,314</u>	<u>356,961</u>	<u>43,690</u>	<u>12,457,166</u>

Q.     Recently Adopted Accounting Pronouncements

On July 1, 2022 Las Animas County School District Number RE-1 adopted GASB 96, Subscription-Based Information Technology Arrangements. The District will comply with GASB 96 on any long term subscription-based information technology arrangements that are individually or aggregately material to the financial statements.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	<u>Transfers In (Out)</u>	<u>Due (To) From</u>
General Fund	(333,962)	800,786
Student Activities – Special Revenue Fund	98,930	(150,649)
Food Service – Special Revenue Fund	-	-
Designated Purpose Grant Fund	-	(791,609)
Bond Redemption Fund	-	-
Building Fund	<u>235,032</u>	<u>141,472</u>
	<u>-</u>	<u>-</u>

NOTE 3      BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Chief Financial Officer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project and Debt Service Funds.
6. Budgets for the General, Special Revenue, Capital Project and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 3      BUDGETARY INFORMATION (Continued)

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4      CASH AND EQUIVALENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

Cash equivalents consist of amounts held in CSAFE, a Colorado local government investment pool, and a UMB Bond Redemption custodial fund.

At June 30, 2023, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	750,000	750,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	8,087,167	8,782,915
Cash Equivalents	3,878,651	-
Cash with County Treasurer	265,771	-
Cash on Hand	<u>1,600</u>	<u>-</u>
<u>Total Cash and Equivalents</u>	<u>12,983,189</u>	<u>9,532,915</u>

As presented above, deposits with a bank balance of \$8,782,915 and a carrying balance of \$8,087,167 as of June 30, 2023 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<u>Governmental Activities</u>				
<u>Non-Depreciable Assets:</u>				
Land	712,780	-	-	712,780
Construction in Progress	922,478	831,137	922,478	831,137
<u>Total Non-Depreciable Assets</u>	<u>1,635,258</u>	<u>831,137</u>	<u>922,478</u>	<u>1,543,917</u>
<u>Depreciable Assets:</u>				
Buildings	35,035,094	922,478	2,237,004	33,720,568
Site Improvements	1,641,886	5,350	313,662	1,333,574
Vehicles	1,223,642	245,689	-	1,469,331
Equipment	1,006,211	235,865	-	1,242,076
Food Service	485,894	8,806	-	494,700
<u>Total Depreciable Assets</u>	<u>39,392,727</u>	<u>1,418,188</u>	<u>2,550,666</u>	<u>38,260,249</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Buildings	15,869,503	783,061	1,833,519	14,819,045
Site Improvements	1,311,796	44,217	233,401	1,122,612
Vehicles	922,718	54,744	-	977,462
Equipment	642,751	50,994	-	693,745
Food Service	432,281	11,085	-	443,366
<u>Total Accumulated Depreciation</u>	<u>19,179,049</u>	<u>944,101</u>	<u>2,066,920</u>	<u>18,056,230</u>
<u>Total Capital Assets, Net</u>	<u>21,848,936</u>	<u>1,305,224</u>	<u>1,406,224</u>	<u>21,747,936</u>

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

<u>Governmental Activities:</u>	
Instruction	874,452
Operations and Maintenance	6,260
Transportation	47,344
Central Support	4,960
Food Service	11,085
<u>Total Depreciation Expense –Governmental Activities</u>	<u>944,101</u>

NOTE 6      ACCOUNTS RECEIVABLE

Accounts receivable in the Food Service Fund represent requests made to the Colorado Department of Education for reimbursable meals served by June 30, 2023 and amounts due from local sources for meals served.

NOTE 7      ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2023, are estimated to be \$764,631 and will be paid during the 2023-2024 fiscal year. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.



LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 8**

**PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Las Animas County School District Number RE-1 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.

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Las Animas County School District Number RE-1 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](http://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.

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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 8**      **PENSION PLAN (Continued)**

In all cases the service retirement benefit is limited to 100% of highest average salary and 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.

*Contributions provisions as of June 30, 2023:* Eligible employees of, Las Animas County School District Number RE-1 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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 8**      **PENSION PLAN (Continued)**

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Las Animas County School District Number RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Las Animas County School District Number RE-1 were \$1,110,713 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 a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. 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 Las Animas County School District Number RE-1 proportion of the net pension liability was based on Las Animas County School District Number RE-1 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.

At June 30, 2023, the Las Animas County School District Number RE-1 reported a liability of \$12,212,132 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Las Animas County School District Number RE-1 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 Las Animas County School District Number RE-1 were as follows:

Las Animas County School District Number RE-1 proportionate share of the net pension liability	\$ 12,212,132
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Las Animas County School District Number RE-1	\$ 3,558,738
Total	\$ 15,770,870

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 8      PENSION PLAN (Continued)

At December 31, 2022, the Las Animas County School District Number RE-1 proportion was 0.067%, which was a decrease of 0.019% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Las Animas County School District Number RE-1 recognized pension income of \$840,515 and revenue of \$303,468 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Las Animas County School District Number RE-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	115,575	-
Changes of assumptions or other inputs	216,317	-
Net difference between projected and actual earnings on pension plan investments	1,640,539	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	208,688	(2,448,894)
Contributions subsequent to the measurement date	550,828	N/A
Total	2,731,947	(2,448,894)

\$550,828 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, 2023	
2024	(824,308)
2025	(699,441)
2026	301,745
2027	945,229
2028	-
Thereafter	-

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 8**      **PENSION PLAN (Continued)**

*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*	Financed by the AIR

\*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.

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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8**      **PENSION PLAN (Continued)**

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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

*Discount rate.* The discount rate used to measure the 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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

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NOTE 8      PENSION PLAN (Continued)

- 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 position 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.

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 Las Animas County School District Number RE-1 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:

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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**NOTE 8**      **PENSION PLAN (Continued)**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	15,981,481	12,212,132	9,064,341

*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](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Pension Plans**

**Voluntary Investment Program (PERAPlus 401(k) Plan)**

*Plan Description* – Employees of the Las Animas County School District Number RE-1 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$15,798



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**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS**

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

*OPEB.* Las Animas County School District Number RE-1 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.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Las Animas County School District Number RE-1 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](http://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.

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.

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

*DPS Benefit Structure*

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

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

*Contributions.* Pursuant to Title 24, Article 51, 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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Las Animas County School District Number RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Las Animas County School District Number RE-1 were \$55,590 for the year ended June 30, 2023.

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

At June 30, 2023, the Las Animas County School District Number RE-1 reported a liability of \$415,546 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 Las Animas County School District Number RE-1 proportion of the net OPEB liability was based on Las Animas County School District Number RE-1 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 Las Animas County School District Number RE-1 proportion was 0.051%, which was a decrease of 0.001% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Las Animas County School District Number RE-1 recognized OPEB income of \$103,804. At June 30, 2023, the Las Animas County School District Number RE-1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	54	(100,493)
Changes of assumptions or other inputs	6,679	(45,863)
Net difference between projected and actual earnings on OPEB plan investments	25,381	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	25,579	(122,251)
Contributions subsequent to the measurement date	27,568	N/A
Total	85,261	(268,607)

\$27,568 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, 2023	
2024	(82,581)
2025	(65,904)
2026	(29,983)
2027	(7,453)
2028	(20,055)
Thereafter	(4,938)

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40% -11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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.

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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

<u>Age-Related Morbidity Assumptions</u>		
Participant	Annual Increase	Annual Increase
Age	(Male)	(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	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO(Kaiser) with Medicare Part A	
Age	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	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO(Kaiser) without Medicare Part A	
Age	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.

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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

The PERA benefit structure health care cost trend rates 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 on 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 State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (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 mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table 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.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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 Las Animas County School District Number RE-1 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:



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**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate*	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	\$403,785	\$415,546	\$428,345

\*For the January 1, 2023, plan year.

*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 Las Animas County School District Number RE-1 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	\$481,741	\$415,546	\$358,928

*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](http://www.copera.org/investments/pera-financial-reports).

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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NOTE 10     JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the South Central 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 District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information for the year ended June 30, 2022, is as follows:

Assets and Deferred Outflows	3,243,244
Liabilities and Deferred Inflows	<u>5,814,798</u>
Net Position	<u>(2,571,554)</u>
 Revenues	 5,068,949
Expenses	<u>3,187,843</u>
Change in Net Position	<u>1,881,106</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and a copy of its financial statements is filed with the Colorado State Auditor's Office.

NOTE 11     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School Districts Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) in 1981 to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Employment Practices Liability, Automobile Liability, Auto Physical Damage, Real and Personal Property, Crime, and other coverages. The Board of Directors is composed of eight persons. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds, risk exposure and other factors touching on the status of the Pool or an individual participant.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as expenditures.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 11     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (continued)

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2023.

An audited summary of the Colorado School District's Pool financial information for the year ended June 30, 2022 (latest information available) follows:

Total Assets	<u>77,006,177</u>
Total Liabilities	<u>41,993,151</u>
Total Equity	<u>35,013,026</u>
Revenue	32,943,304
Underwriting Expenses	<u>36,961,713</u>
Underwriting Gain (Loss)	(4,018,409)
Net Investment Income	568,666
Other Income	<u>19,428</u>
Net Income (Loss) Before Dividend	(3,430,315)
Dividend	<u>-</u>
Net Income	(3,430,315)
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>-</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>35,013,026</u>

NOTE 12     LONG-TERM OBLIGATIONS

Series 2013 Certificates of Participation

In August of 2013, the District issued \$1,250,000 in Certificates of Participation (COP's) for the purpose of facility improvements. The debt was paid off prior to scheduled maturity in 2023. Debt principal paid was \$565,000.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 12    LONG-TERM OBLIGATIONS (continued)

Series 2020 General Obligation Bonds

The District issued G.O. Bonds in the amount of \$7,345,000 in January of 2020. Interest on the bonds is 5% on maturities through 2028 and 4% on bonds maturing thereafter. Proceeds of this issue were provided to satisfy the \$4,509,402 cash match requirement of a Building Excellent Schools Today (BEST) capital construction grant of \$11,040,261 and to fund additional capital requirements of the District.

Below is a schedule of debt service requirements to maturity (bonds maturing on or after December 1, 2030 are subject to redemption at the discretion of the District after December 1, 2029):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	275,000	285,225
2025	290,000	271,100
2026	300,000	256,350
2027	320,000	240,850
2028	335,000	224,475
2029-2033	1,915,000	879,650
2034-2038	2,330,000	454,600
2039-2040	<u>1,070,000</u>	<u>43,200</u>
	<u>6,835,000</u>	<u>2,655,450</u>

Changes in Long-Term Debt (Fiscal Year ended June 30, 2023)

<u>Changes in Long-Term Debt</u>	<u>Beginning Balance 7-1-2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance 6-30-2023</u>	<u>Current Portion</u>
COP's	565,000	-	565,000	-	-
G.O. Bonds	<u>7,095,000</u>	<u>-</u>	<u>260,000</u>	<u>6,835,000</u>	<u>275,000</u>
<u>Total</u>	<u>7,660,000</u>	<u>-</u>	<u>825,000</u>	<u>6,835,000</u>	

NOTE 13    RISK MANAGEMENT

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

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 14    INTERFUND BALANCES

	<u>Amounts Due From Other Funds</u>	<u>Amounts Due To Other Funds</u>
General Fund	941,409	140,623
Designated Purpose Grants Fund	-	791,609
Food Service Fund	-	-
Student Activities Fund	-	150,649
Building Fund	<u>141,472</u>	<u>-</u>
	<u>1,082,881</u>	<u>1,082,881</u>

Interfund balances are created by the payments of grant and expenditures by the general fund. The grants are on a reimbursable basis. The amounts due to and from are repaid upon receipt of grant fund revenues. All are expected to be repaid within one year.

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	333,962	-
Student Activity Special Revenue Fund - Nonmajor	-	98,930
Building Fund	<u>-</u>	<u>235,032</u>
	<u>333,962</u>	<u>333,962</u>

Transfers were made in the normal course of operations to support funding needs.

NOTE 15    BUDGET DISCLOSURES

The following funds had actual expenditures in excess of amounts budgeted:

Student Activity Fund	\$29,878
Food Service Fund	\$125,129

REQUIRED SUPPLEMENTARY INFORMATION

## BUDGET INFORMATION

### General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

### Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Designated Purpose Grants Fund – This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

### Pension Trend Data

### Other Post Employment Benefits Trend Data

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	2,126,736	2,126,736	2,111,218	(15,518)
Specific Ownership Taxes	280,064	280,064	459,182	179,118
Earnings on Investments	9,458	9,458	22,370	12,912
Delinquent Taxes & Interest	12,000	12,000	6,893	(5,107)
Other	224,537	224,537	167,239	(57,298)
<u>State Sources</u>				
Equalization	7,042,719	7,042,719	6,962,965	(79,754)
Transportation	59,709	59,709	61,579	1,870
Other	775,157	775,157	1,048,485	273,328
<u>Federal Sources</u>				
Designated Purpose Grants	-	-	-	-
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>10,530,380</u>	<u>10,530,380</u>	<u>10,839,931</u>	<u>309,551</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
Salaries	3,053,892	3,053,892	2,947,797	106,095
Employee Benefits	907,235	907,235	984,442	(77,207)
Purchased Services - Professional	111,500	111,500	139,337	(27,837)
Purchased Services – Property	2,154	2,154	647	1,507
Purchased Services – Other	676,511	676,511	733,121	(56,610)
Supplies and Materials	267,427	267,427	109,791	157,636
Property	-	-	4,200	(4,200)
Other Objects	4,800	4,800	2,745	2,055
<u>Total Instruction</u>	<u>5,023,519</u>	<u>5,023,519</u>	<u>4,922,080</u>	<u>101,439</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	337,139	337,139	331,125	6,014
Employee Benefits	108,693	108,693	111,037	(2,344)
Purchased Services – Professional	31,000	31,000	32,505	(1,505)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	131,641	131,641	129,046	2,595
Supplies and Materials	9,850	9,850	7,319	2,531
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>618,323</u>	<u>618,323</u>	<u>611,032</u>	<u>7,291</u>

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



LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	252,199	252,199	151,197	101,002
Employee Benefits	15,650	15,650	16,712	(1,062)
Purchased Services – Professional	2,800	2,800	2,807	(7)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	17,000	17,000	16,719	281
Supplies and Materials	15,500	15,500	5,996	9,504
Property	-	-	-	-
<u>Total Instructional Staff</u>	<u>303,149</u>	<u>303,149</u>	<u>193,431</u>	<u>109,718</u>
<u>General Administration</u>				
Salaries	188,600	188,600	196,767	(8,167)
Employee Benefits	53,850	53,850	62,413	(8,563)
Purchased Services – Professional	15,000	15,000	20,185	(5,185)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	25,647	25,647	23,563	2,084
Supplies and Materials	26,450	26,450	19,623	6,827
Property	-	-	-	-
Other Objects	13,050	13,050	2,336	10,714
<u>Total General Administration</u>	<u>322,597</u>	<u>322,597</u>	<u>324,887</u>	<u>(2,290)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	717,870	717,870	712,894	4,976
Employee Benefits	210,145	210,145	228,854	(18,709)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	4,550	4,550	3,677	873
Supplies and Materials	13,000	13,000	13,085	(85)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>945,565</u>	<u>945,565</u>	<u>958,510</u>	<u>(12,945)</u>
<u>Business Services</u>				
Salaries	135,000	135,000	116,359	18,641
Employee Benefits	45,090	45,090	40,907	4,183
Purchased Services – Professional	102,008	102,008	105,782	(3,774)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	5,700	5,700	2,082	3,618
Supplies and Materials	14,000	14,000	3,789	10,211
Property	-	-	-	-
<u>Total Business Services</u>	<u>301,798</u>	<u>301,798</u>	<u>268,919</u>	<u>32,879</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	373,000	373,000	379,244	(6,244)
Employee Benefits	111,125	111,125	134,416	(23,291)
Purchased Services – Professional	101,500	101,500	100,638	862
Purchased Services – Property	60,250	60,250	132,440	(72,190)
Purchased Services – Other	11,000	11,000	11,298	(298)
Supplies and Materials	295,700	295,700	401,554	(105,854)
Property	57,000	57,000	94,206	(37,206)
Other Objects	10,844	10,844	7,784	3,060
<u>Total Operations and Maintenance</u>	<u>1,020,419</u>	<u>1,020,419</u>	<u>1,261,580</u>	<u>(241,161)</u>
<u>Student Transportation</u>				
Salaries	187,600	187,600	180,869	6,731
Employee Benefits	70,905	70,905	66,125	4,780
Purchased Services – Professional	20,000	20,000	19,854	146
Purchased Services – Property	36,407	36,407	48,095	(11,688)
Purchased Services – Other	3,700	3,700	2,364	1,336
Supplies and Materials	48,000	48,000	35,894	12,106
Property	-	-	245,689	(245,689)
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>366,612</u>	<u>366,612</u>	<u>598,890</u>	<u>(232,278)</u>
<u>Central Support</u>				
Salaries	80,000	80,000	80,951	(951)
Employee Benefits	21,050	21,050	25,837	(4,787)
Purchased Services – Professional	38,600	38,600	40,666	(2,066)
Purchased Services – Property	1,000	1,000	-	1,000
Purchased Services – Other	485,828	485,828	433,957	51,871
Supplies and Materials	64,747	64,747	40,121	24,626
Property	79,629	79,629	1,067	78,562
<u>Total Central Support</u>	<u>770,854</u>	<u>770,854</u>	<u>622,599</u>	<u>148,255</u>
<u>Other Support</u>				
Salaries	40,000	40,000	-	40,000
Employees Benefits	1,594	1,594	-	1,594
Purchased Services – Professional	3,265	3,265	54,839	(51,574)
Purchased Services – Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Other Support</u>	<u>44,859</u>	<u>44,859</u>	<u>54,839</u>	<u>(9,980)</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Food Service</u>				
Purchased Services – Property	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
<u>Total Food Service</u>	-	-	-	-
<u>Debt Service</u>				
Principal	2,000	2,000	599,284	(597,284)
Interest	-	-	8,134	(8,134)
<u>Total Debt Service</u>	2,000	2,000	607,418	(605,418)
<u>TOTAL SUPPORTING SERVICES</u>	4,696,176	4,696,176	5,502,105	(805,929)
<u>APPROPRIATED RESERVES</u>	565,685	565,685	-	565,685
<u>TOTAL EXPENDITURES</u>	10,285,380	10,285,380	10,424,185	(138,805)
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	245,000	245,000	415,746	
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Property	-	-	850,000	850,000
Transfers	(245,000)	(245,000)	(333,962)	(88,962)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	(245,000)	(245,000)	516,038	761,038
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	-	931,784	
<u>FUND BALANCE, July 1</u>	-	-	6,734,940	
<u>FUND BALANCE, June 30</u>	-	-	7,666,724	

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
DESIGNATED PURPOSE GRANTS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	2,748,294	2,748,294	1,816,938	(931,356)
<u>Total Revenues</u>	<u>2,748,294</u>	<u>2,748,294</u>	<u>1,816,938</u>	<u>(931,356)</u>
<u>Expenditures</u>				
Instruction	917,405	917,405	708,811	208,594
Support Services:				
Salary	95,048	95,048	116,577	(21,529)
Benefits	22,459	22,459	32,425	(9,966)
Purchased Services	533,894	533,894	422,695	111,199
Supplies and Materials	132,001	132,001	140,347	(8,346)
Property	835,706	835,706	336,440	499,266
Other Objects	211,781	211,781	59,643	152,138
<u>Total Expenditures</u>	<u>2,748,294</u>	<u>2,748,294</u>	<u>1,816,938</u>	<u>931,356</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>Transfers</u>	-	-	-	-
<u>FUND BALANCES, July 1</u>	-	-	-	
<u>FUND BALANCES, June 30</u>	-	-	-	

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
For The Last 10 Fiscal Years (As Available)

	<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>
District's proportion of the net pension liability (asset)	0.0670%	0.0860%	0.0925%	0.0866%	0.0978%	0.1233%	0.1293%	0.1307%	0.1230%	0.1348%
District's proportionate share of the net pension liability (asset)	\$12,212,132	\$10,078,390	\$13,981,149	\$12,938,551	\$17,325,989	\$39,869,939	\$38,493,259	\$19,998,864	\$16,667,595	\$17,198,752
State's proportionate share of the net pension liability associated with the District **	\$3,558,738	\$1,155,359	-	\$1,641,088	\$2,369,088	-	-	-	-	-
District's covered payroll	\$5,450,016	\$5,417,441	\$4,914,159	\$5,074,142	\$5,303,723	\$5,324,272	\$5,890,683	\$5,760,446	\$5,411,409	\$5,126,183
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	224%	186%	284%	255%	327%	748%	653%	347%	308%	336%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%

\*\* A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
For The Last 10 Fiscal Years (As Available)

	<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 contributions	\$ 1,110,713	\$ 1,076,988	\$ 976,897	\$ 983,369	\$ 1,014,695	\$ 1,005,251	\$ 1,085,056	\$ 1,021,830	\$ 914,944	\$ 819,574
Contributions in relation to the contractually required contributions	<u>\$ (1,110,713)</u>	<u>\$ (1,076,988)</u>	<u>\$ (976,897)</u>	<u>\$ (983,369)</u>	<u>\$ (1,014,695)</u>	<u>\$ (1,005,251)</u>	<u>\$ (1,085,056)</u>	<u>\$ (1,021,830)</u>	<u>\$ (914,944)</u>	<u>\$ (819,574)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$5,450,016	\$5,417,441	\$4,914,159	\$5,074,142	\$5,303,723	\$5,324,272	\$5,890,683	\$5,760,446	\$5,411,409	\$5,126,183
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.41%	17.73%	16.91%	15.99%

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY  
For The Last 10 Fiscal Years (As Available)

	<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>
District's proportion of the net OPEB liability (asset)	0.0509%	0.0565%	0.0535%	0.0566%	0.0636%	0.0701%	0.0735%	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$415,546	\$487,596	\$508,483	\$636,279	\$865,327	\$910,461	\$952,777	-	-	-
District's covered payroll	\$5,450,016	\$5,417,441	\$4,914,159	\$5,074,142	\$5,303,723	\$5,324,272	\$5,890,683	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.62%	9.00%	10.35%	12.54%	16.32%	17.10%	16.17%	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
For The Last 10 Fiscal Years (As Available)

	<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 contributions	\$ 55,590	\$ 55,258	\$ 50,123	\$ 51,756	\$ 54,098	\$ 54,308	\$ 60,085	-	-	-
Contributions in relation to the contractually required contributions	<u><del>\$(55,590)</del></u>	<u><del>\$(55,258)</del></u>	<u><del>\$(50,123)</del></u>	<u><del>\$(51,756)</del></u>	<u><del>\$(54,098)</del></u>	<u><del>\$(54,308)</del></u>	<u><del>\$(60,085)</del></u>	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-
District's covered payroll	\$5,450,016	\$5,417,441	\$4,914,159	\$5,074,142	\$5,303,723	\$5,324,272	\$5,890,683	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-

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



COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Debt Service Funds

Bond Redemption Debt Service Fund – Used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

### Capital Project Funds

Building Fund – used to account for the expenditure of funds for capital projects. These funds are provided through debt issuance, grants and local sources.

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Service Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Student Activities Fund – This fund is used to account for the costs associated with co-curricular clubs and organization programs. It is funded by event receipts, transfers from the General Fund and other local sources.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2023

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activities</u>	
<u>ASSETS</u>			
Cash and Equivalents	300,012	195,434	495,446
Investments	-	-	-
Accounts Receivable	62,006	-	62,006
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Inventories	<u>7,285</u>	<u>-</u>	<u>7,285</u>
<u>Total Assets</u>	<u>369,303</u>	<u>195,434</u>	<u>564,737</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	1,095	1,095
Accrued Salaries	12,342	-	12,342
Due To Other Funds	-	150,649	150,649
Deposits Held	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>12,342</u>	<u>151,744</u>	<u>164,086</u>
<u>Fund Balances:</u>			
Nonspendable:			
Inventories	7,285	-	7,285
Restricted:			
Food Service	349,676	-	349,676
Committed:	-	-	-
Assigned:			
Student Activities	-	43,690	43,690
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>356,961</u>	<u>43,690</u>	<u>400,651</u>
<u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	<u>369,303</u>	<u>195,434</u>	<u>564,737</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
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>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activities</u>	
<u>REVENUES:</u>			
Local Sources:			
Earning on Investments	311	991	1,302
Fees and Charges	11,344	111,747	123,091
State Aid	2,556	-	2,556
Federal Aid	<u>560,696</u>	<u>-</u>	<u>560,696</u>
<u>Total Revenues</u>	<u>574,907</u>	<u>112,738</u>	<u>687,645</u>
<u>EXPENDITURES:</u>			
Current:			
Instructional Services	-	260,603	260,603
Supporting Services:			
Students	-	5,430	5,430
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance of Facilities	-	-	-
Transportation	-	-	-
Food Service	506,878	-	506,878
Debt Service	-	-	-
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>506,878</u>	<u>266,033</u>	<u>772,911</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	68,029	(153,295)	(85,266)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>98,930</u>	<u>98,930</u>
<u>NET CHANGE IN FUND BALANCES</u>	68,029	(54,365)	13,664
<u>FUND BALANCES, Beginning</u>	<u>288,932</u>	<u>98,055</u>	<u>386,987</u>
<u>FUND BALANCES, Ending</u>	<u>356,961</u>	<u>43,690</u>	<u>400,651</u>

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
BOND REDEMPTION DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Property Tax	822,200	562,122	(260,078)
Earnings on Investments	1,100	14,879	13,779
Other Local	-	2,169	2,169
<u>Total Revenues</u>	<u>823,300</u>	<u>579,170</u>	<u>(244,130)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	510,000	260,000	250,000
Interest	311,350	298,600	12,750
Other	1,950	900	1,050
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>823,300</u>	<u>559,500</u>	<u>263,800</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	19,670	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	19,670	
<u>FUND BALANCES, July 1</u>	<u>-</u>	<u>734,807</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>754,477</u>	

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
BUILDING - CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	47,043	123,830	76,787
Other Local Revenue	-	-	-
State Grant Revenue	<u>5,488,324</u>	<u>548,511</u>	(4,939,813)
<u>Total Revenues</u>	<u>5,535,367</u>	<u>672,341</u>	<u>(4,863,026)</u>
<u>EXPENDITURES</u>			
Buildings and Site Improvements	5,770,399	831,137	4,939,262
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>5,770,399</u>	<u>831,137</u>	<u>4,939,262</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(235,032)</u>	<u>(158,796)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>235,032</u>	<u>235,032</u>	-
<u>Total Other Financing Sources (Uses)</u>	<u>235,032</u>	<u>235,032</u>	-
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	76,236	
<u>FUND BALANCES, July 1</u>	-	<u>3,559,078</u>	
<u>FUND BALANCES, June 30</u>	-	<u>3,635,314</u>	

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
FOOD SERVICE – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	9,678	9,678
Earnings on Investments	-	311	311
Other	5,755	1,666	(4,089)
<u>State Sources</u>			
School Lunches and Breakfast	-	2,556	2,556
<u>Federal Sources</u>			
School Lunches and Breakfast	202,077	504,416	302,339
Other	28,917	27,904	(1,013)
Commodities	-	28,376	28,376
<u>Total Revenues</u>	<u>236,749</u>	<u>574,907</u>	<u>338,158</u>
<u>EXPENDITURES</u>			
Salaries	156,784	178,638	(21,854)
Employee Benefits	53,426	49,730	3,696
Purchased Services – Professional	3,000	13	2,987
Purchased Services – Property	1,000	-	1,000
Purchased Services - Other	2,400	3,738	(1,338)
Food Purchases	156,139	173,471	(17,332)
Capital Outlay	9,000	22,313	(13,313)
Commodities	-	28,376	(28,376)
Non-Food Supplies	-	50,599	(50,599)
Other	-	-	-
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>381,749</u>	<u>506,878</u>	<u>(125,129)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(145,000)</u>	<u>68,029</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>145,000</u>	<u>-</u>	<u>(145,000)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>-</u>	<u>68,029</u>	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>288,932</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>356,961</u>	

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

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
STUDENT ACTIVITIES - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2023

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	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Other Local	<u>136,155</u>	<u>112,738</u>	(23,417)
<u>Total Revenues</u>	<u>136,155</u>	<u>112,738</u>	<u>(23,417)</u>
<u>EXPENDITURES:</u>			
Co-Curricular Instruction	227,371	260,603	(33,232)
Support	8,784	5,430	3,354
Appropriated Reserve	-	-	-
<u>Total Expenditures</u>	<u>236,155</u>	<u>266,033</u>	<u>(29,878)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(100,000)	(153,295)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>100,000</u>	<u>98,930</u>	<u>(1,070)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	(54,365)	
<u>FUND BALANCE, July 1</u>	-	<u>98,055</u>	
<u>FUND BALANCE, June 30</u>	-	<u>43,690</u>	

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



STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education

Auditors Integrity Report

District: 1580 - Trinidad 1

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
<b>Governmental</b>	+			=
10 General Fund	6,734,940	11,355,967	10,424,184	7,666,724
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub-Total</b>	<b>6,734,940</b>	<b>11,355,967</b>	<b>10,424,184</b>	<b>7,666,724</b>
11 Charter School Fund	0	0	0	0
20-26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service-Spec Revenue Fund	288,933	574,908	506,879	356,961
22 Govt Designated-Purpose Grants Fund	0	1,816,938	1,816,938	0
23 Pupil Activity Special Revenue Fund	98,056	211,667	266,034	43,689
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	734,807	579,169	559,500	754,477
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	3,559,078	907,373	831,137	3,635,314
42 Special Building Fund	0	0	0	0
43 Capital Reserve-Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>11,415,814</b>	<b>15,446,022</b>	<b>14,404,672</b>	<b>12,457,165</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINAL</b>				



Colorado Department of Education

Bolded Balance Sheet Report

District: 1580 - Trinidad 1

Fiscal Year 2022-23

Colorado School District/BOCES

Governmental

Proprietary

Fiduciary

ASSETS																
General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service		Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
						Special Revenue Fund 21	Service Revenue Fund 21									
Cash and Investments (8100-8104,8111)	8,177,993	0	0	-337,592	0	0	300,012	0	3,845,933	0	0	0	0	0	0	11,986,346
Cash with Fiscal Agent (8105)	263,105	0	0	0	0	0	0	733,739	0	0	0	0	0	0	0	996,843
Taxes Receivable (8121,8122)	160,000	0	0	0	0	0	0	44,000	0	0	0	0	0	0	0	204,000
Interfund Loans Receivable (8131,8132)	408,383	0	0	0	0	0	0	0	141,472	0	0	0	0	0	0	549,855
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	24,128	0	0	812,814	0	0	62,006	0	302,164	0	0	0	0	0	0	1,201,112
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	-167	0	0	0	0	0	0	0	0	-167
Inventories (8171,8172,8173)	0	0	0	0	0	0	7,286	0	0	0	0	0	0	0	0	7,286
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	9,033,608	0	0	475,223	0	0	369,137	777,739	4,289,569	0	0	0	0	0	0	14,945,275

**LIABILITIES & FUND EQUITY**

	Governmental						Proprietary				Fiduciary					
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401-7402)	140,623	0	0	409,233	0	0	0	0	0	0	0	0	0	0	0	549,855
Other Payables (7421-7423)	84,526	0	0	4,036	0	0	-167	0	457,824	0	0	0	0	0	0	546,219
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	196,431	0	0	0	0	0	0	196,431
Accrued Expenses (7461)	734,024	0	0	18,265	0	0	12,342	0	0	0	0	0	0	0	0	764,631
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	326,926	0	0	0	0	0	0	0	0	0	0	0	0	0	0	326,926
Other Current Liabilities (7491,7492,7499)	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	80,186	0	0	0	0	0	0	23,262	0	0	0	0	0	0	0	103,448
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	1,366,884	0	0	431,534	0	0	12,175	23,262	654,255	0	0	0	0	0	0	2,488,110

	Governmental	Proprietary	Fiduciary
1. <b>Ownership</b>	Owned by the government	Owned by private individuals or companies	Owned by individuals or companies in a trust relationship
2. <b>Control</b>	Controlled by government officials	Controlled by private owners or managers	Controlled by the fiduciary for the benefit of the beneficiary
3. <b>Purpose</b>	For public use or service	For profit or private benefit	For the benefit of the beneficiary
4. <b>Accountability</b>	Accountable to the public or government	Accountable to private owners or shareholders	Accountable to the beneficiary
5. <b>Transparency</b>	High transparency	Low transparency	High transparency
6. <b>Regulation</b>	Highly regulated	Less regulated	Highly regulated
7. <b>Examples</b>	Public schools, government hospitals, national parks	Private companies, universities, hospitals	Trusts, pension funds, mutual funds

## FUND EQUITY

FUND EQUITY															
General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	7,258	0	0	0	0	0	0	0	0	7,258
Restricted Fund Balance 6720	0	0	0	0	0	349,703	754,477	3,635,314	0	0	0	0	0	0	4,739,494
TABOR 3% Emergency Reserve 6721	375,000	0	0	0	0	0	0	0	0	0	0	0	0	0	375,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPPI) Reserve 6724	44,078	0	0	0	0	0	0	0	0	0	0	0	0	0	44,078
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	2,291,815	0	0	0	0	0	0	0	0	0	0	0	0	0	2,291,815
Assigned Fund Balance 6760	0	0	0	43,689	0	0	0	0	0	0	0	0	0	0	43,689
Unassigned Fund Balance 6770	4,955,830	0	0	0	0	0	0	0	0	0	0	0	0	0	4,955,830
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	7,666,724	0	0	43,689	0	356,961	754,477	3,635,314	0	0	0	0	0	0	12,457,165

	General Funds	Charter School Fund	Preschool Fund 19	Special Revenue Funds 20,	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects 40-45,	Supplemental Cap Const Fund 46	Other Enterprise Funds 50,	Risk-Related Activity Funds 60	Internal Service Funds 60	Agency Funds 70-79	Trust & Foundations Fund 85	Totals
	10,12-18	11		22-29					47-49		52-59	63-64				
Total Liabilities & Fund Equity	9,033,608	0	0	475,223	0	0	369,137	777,739	4,289,569	0	0	0	0	0	0	14,945,275

For Each Fund Type:  
Do Assets=Liability+Fund Equity

SINGLE AUDIT SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**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***

Board of Education  
Las Animas County School District Number RE-1  
Trinidad, Colorado 81082

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 Las Animas County School District Number RE-1 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Las Animas County School District Number RE-1's basic financial statements, and have issued our report thereon dated November 24, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Las Animas County School District Number RE-1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Las Animas County School District Number RE-1's internal control. Accordingly, we do not express an opinion on the effectiveness of the Las Animas County School District Number RE-1'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 may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Las Animas County School District Number RE-1'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in cursive script that reads "Dixon, Waller & Co., Inc.".

November 24, 2023



164 E. MAIN  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Board of Education  
Las Animas County School District Number RE-1  
Trinidad, CO 81082

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Las Animas County School District Number RE-1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Las Animas County School District Number RE-1's major federal programs for the year ended June 30, 2023. Las Animas County School District Number RE-1'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, Las Animas County School District Number RE-1 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 Las Animas County School District Number RE-1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1'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 Las Animas County School District Number RE-1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Las Animas County School District Number RE-1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Las Animas County School District Number RE-1'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.

A handwritten signature in cursive script that reads "Dixon, Waller & Co, Inc".

November 24, 2023

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023

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SECTION 1 - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of Las Animas County School District Number RE-1.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Las Animas County School District Number RE-1 were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Reportable on Compliance for Major Programs

An unmodified report has been issued on Las Animas County School District Number RE-1 compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Child Nutrition Cluster

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as low-risk auditee

The Las Animas County School District Number RE-1 qualified as a low-risk auditee for the fiscal year ended June 30, 2023.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2023

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2023

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There are no prior audit findings requiring disclosure.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Education</u></b>			
Rural Education	84.358	4358	45,547
(Passed through Colorado Department of Education)			
Title I – School Improvement	84.010	5010	6,483
Title I	84.010	4010	502,904
Title II A – Teach Quality	84.367	4367	99,129
Support and Academic Enrichment	84.424	4424	38,284
Elementary and Secondary Emergency Relief Act COVID-19	84.425D	4420	357,718
Elementary and Secondary Emergency Relief Act COVID-19	84.425U	4414	744,632
Elementary and Secondary Emergency Relief Act COVID-19	84.425D	4432	3,000
Elementary and Secondary Emergency Relief Act COVID-19	84.425U	4429	11,485
(Passed through Colorado Community College and Occupational Education Vocational Education)			
Carl Perkins	84.048	4048	7,756
<b><u>Total Department of Education</u></b>			<b><u>1,816,938</u></b>
<b><u>U.S. Department of Agriculture</u></b>			
Child Nutrition Cluster			
(Passed through Colorado Department of Education)			
National School Breakfast Program	10.553	4553	143,134
National School Lunch Program	10.555	4555	347,756
Summer Food Service Program	10.559	4559	13,526
Supply Chain Assistance	10.555	6555	26,623
(Passed through Colorado Department of Human Services)			
Food Distribution (Commodities)	10.555	4,555	28,376
<b><u>Total Child Nutrition Cluster</u></b>			<b><u>559,415</u></b>
(Passed through Colorado Department of Education)			
Pandemic EBT Administrative Costs COVID-19	10.649	4649	1,281
<b><u>Total Department of Agriculture</u></b>			<b><u>560,696</u></b>
<b><u>TOTAL EXPENDITURES</u></b>			<b><u>2,377,634</u></b>

The accompanying notes are an integral part of this financial statement.

LAS ANIMAS COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

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NOTE 1    BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Las Animas County School District Number RE-1 and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2    INDIRECT COST RATES

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3    FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

NOTE 4    SUBRECIPIENTS

The District did not pass through any grant amounts to subrecipients for the year ended June 30, 2023.