Deer Trail School District No. 26-J
Deer Trail, Colorado

Financial Statements

For the Year Ended June 30, 2022

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Independent Auditors' Report

Board of Education
Deer Trail School District No. 26-J
Deer Trail, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Deer Trail School District No. 26-J (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing the 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 the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and the auditors' integrity report listed in the table of contents is 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 other supplementary information and the auditors' integrity report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Deer Trail School District 26J, we offer readers of Deer Trail School District 26J (the District) financial statements this narrative overview and analysis of the financial activities of Deer Trail School District 26J for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of resources of Deer Trail School District 26J exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $27,877,403.
- Deer Trail School District 26J's total net position increased by $1,232,406.
- As of the close of the current fiscal year, Deer Trail School District 26J's governmental funds reported a combined ending fund balance of $4,822,475.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two 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 26J is improving or deteriorating.

The statement of activities presents information showing 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant expenses).

The government-wide statement of activities distinguishes functions/programs of Deer Trail School District 26J supported primarily by Per Pupil Operating Revenue. The governmental activities of Deer Trail School District 26J include instruction and supporting services.

The government-wide financial statements can be found on pages 10-13 of this report.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one type of fund: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term financial resources and fund balances (which are spendable resources available at the end of the fiscal year). Such information may be useful in evaluating the District's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government-wide financial statements. By doing so, the readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District has used six Governmental Funds in the past. They are the General Fund, which is the largest fund, encompassing most of the District's revenues and expenditures. The Special Revenue Funds include the Food Service and Pupil Activity Funds, the Debt Service Fund includes the Bond Redemption Fund, and the Capital Projects Funds include the Building Fund and the Capital Reserve Capital Projects Fund.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the General Fund, Food Service Fund, Pupil Activity Fund, Capital Reserve Capital Projects Fund, Bond Redemption Fund and the Building Fund are included on pages 54, 76, 77, 78, 80 and 82 of this report to demonstrate compliance with the adopted budget.

Government-Wide Financial Analysis
The District had an increase in net position from Governmental Activities of $1,232,406 for the year.

Deer Trail School District 26J's Statement of Net Position
Two-Year Comparison

	As of June 30, 2021	As of June 30, 2022
	Governmental Activities	Governmental Activities
Current Assets	4,518,173	5,057,975
Capital Assets	34,156,767	33,452,223
Total Assets	38,674,940	38,510,198
Deferred outflows of resources	1,589,705	1,038,807
Total assets and deferred outflows	40,264,645	39,549,005
Current Liabilities	216,412	247,530
Long-Term Liabilities	11,441,521	9,735,388
Total Liabilities	11,657,933	9,982,918
Deferred inflows of resources	1,961,715	1,688,684
Net investment in capital assets	27,312,459	26,919,167
Restricted	1,312,825	1,155,938
Unrestricted	(1,980,287)	(197,702)
Total Net Position	26,644,997	27,877,403
Total liabilities, deferred inflows and net position	40,264,645	39,549,005

Deer Trail School District 26J's Changes in Net Position
Two-Year Comparison

	As of June 30, 2021 Governmental Activities	As of June 30, 2022 Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services	19,417	22,977
Operating Grants and Contributions	796,256	626,996
Capital Grants	-	-
General Revenues:		
Tax Revenues	1,914,624	2,097,676
Unrestricted State Aid	1,661,348	2,038,287
Investment Earnings	16,616	9,748
Other Revenues	100,742	109,003
Total Revenues	4,509,003	4,904,687
Expenses:		
Governmental Activities:		
Instructional Programs	898,593	1,203,657
Supporting Services	1,278,518	1,362,489
Depreciation	900,753	902,071
Interest-Long term debt	210,285	204,064
Business-type Activities:		
Food Service		
Total Expenses	3,288,149	3,672,281
Change in Net Position	1,220,854	1,232,406
Beginning Net Position	25,424,143	26,644,997
Ending Net Position	26,644,997	27,877,403

Fund Level Financial Analysis

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements. The General Fund is the largest of the District's funds. The fund balance at the beginning of the 2021-2022 fiscal year was $2,935,713. The ending fund balance for 2021-2022 of $3,630,711 reflects a fund balance increase of $694,998.

General Fund Budgetary Highlights

The District Board adopted the 2021-2022 Budget on June 14, 2021. A revised budget and an appropriation resolution for $5,054,455 were adopted on January 10, 2022. The adoption of the budget and the revised budget appear to be within the deadlines established by Colorado statute for school districts.

The detail of the adopted/appropriated amounts is included in the table below:

Fund		Revised 1/10/2022
General Fund	$	3,890,370
Food Service Fund		163,335
Bond Redemption Fund		516,750
Building Fund		216,000
Capital Reserve Capital Projects Fund		163,000
Pupil Activity Fund		105,000
Total Appropriation	$	5,054,455

Capital Assets
The District completed construction on a new school facility in the 2019-20 school year. The District reported net capital assets of $33,452,223 in its governmental activities.

Long-Term Debt
At year-end, the School District's long-term debt of $6,561,863 represented its compensated absences of $28,807, bonds payable of $5,760,000, and bond premium of $773,056.

Economic Consideration and Next Year's Budget
The Colorado economy rebounded since the pandemic-recession as the CDC's believe the science health restrictions were lifted. Therefore, economic recovery within the state and Arapahoe County remains on an upward trend. However, this growth is setback by increased Federal spending that has caused inflation. With historically high inflation increasing costs for everyday goods such as food and gasoline, the pinch on household budgets is broadly felt, affecting DT26J households severely. Combine inflation with discontinued national oil production and you have negated any growth in wages from the employment recovery and salary increases. Supply chain demands have continued to plague local, state and national trends as the new normal is not a full recovery of any sorts. A monetary policy response is needed to address inflation as investors and businesses sit on the sidelines biding their time.

Of the nine economic regions identified in Colorado, the seven-county metro Denver region, that includes DT26J, holds the largest share of the state's population, representing more than 60 percent of the state's workers. The impacts of the pandemic and related recession continue to influence the region's labor market. Leisure and hospitality industries remain impacted most, weighing on the rebound to pre-pandemic jobs levels. Reflecting ongoing elevated demand and low inventories, area home prices continue to soar alongside residential construction activity.

Current enrollment trends and forecasting continue to be monitored as students in the elementary, middle and high school continue to enroll at each grade level. Current and future housing within the school district and surrounding area is a factor of growth in and across the school district. This past 2021-2022 year was an academic challenge for our students, staff and parent community. The factors of a declared pandemic plus high student absenteeism impacted our student's learning.

DT26J's budgetary focus is fiscal stability in combination with managing and maintaining our new facility. The continued growth of our district allows DT26J to draw and attract new students. This year, as most of the state's school districts have found out, finding certified teachers is a challenge for our school district. Our BOE is reviewing and revising their strategic plan to support this student growth and facility upkeep. We will continue reviewing the state's financial conditions, adjacent school districts salaries, our student services, teacher housing along with the rising cost of health insurance including liability and maintenance costs which is all considered for budget preparation.

DT26J Board of Education, Administration & Staff continue to set goals & monitor progress toward the following: (1) District Budget (2) Maintenance & Operations (3) DT26J Graduates (4) Human Resources (5) Community Engagement

Request for Information

This financial report is designed to provide a general overview of Deer Trail School District 26J's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Deer Trail School District 26J, P.O. Box 129, Deer Trail, Colorado 80105.

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	$ 3,376,927
Cash with fiscal agent	458,238
Investments	1,112,402
Receivables	107,147
Inventory	3,261
Capital assets, net of depreciation	33,452,223
Total assets	38,510,198
Deferred outflows of resources	
Pension deferrals	1,015,840
Other post-employment benefit deferrals	22,967
Total deferred outflows of resources	1,038,807
Total assets and deferred outflows of resources	$ 39,549,005
Liabilities	
Accounts payable	$ 33,752
Accrued salaries and benefits	183,680
Payroll deductions and withholdings	562
Unearned revenues	2,389
Unearned grant revenues	6,051
Accrued interest payable	21,096
Noncurrent liabilities	
Due within one year	270,000
Due in more than one year	6,291,863
Net pension liability	3,027,074
Net other post-employment benefit liability	146,451
Total liabilities	9,982,918
Deferred inflows of resources	
Pension deferrals	1,631,802
Other post-employment benefit deferrals	56,882
Total deferred inflows of resources	1,688,684
Net position	
Net investment in capital assets	26,919,167
Restricted for emergencies	125,000
Restricted for food service operations	10,071
Restricted for debt service	458,885
Restricted for capital projects	561,982
Unrestricted (deficit)	(197,702)
Total net position	27,877,403
Total liabilities, deferred inflows of resources and net position	$ 39,549,005

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

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DEER TRAIL SCHOOL DISTRICT NO. 26-J
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	$ 1,203,657	$ 14,925	$ 320,262	
Supporting services				
Students	148,485		51,303	
Instructional staff	106,766		103,692	
General administration	169,103			
School administration	93,429			
Business services	53,427			
Operations and maintenance	444,157			
Student transportation	100,110		19,469	
Central support services	133,161			
Other support services	2,970			
Food service operations	110,881	8,052	132,270	
Unallocated depreciation *	902,071			
Interest on long-term obligations	204,064			
Total primary government	$ 3,672,281	$ 22,977	$ 626,996	$ -

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Specific ownership taxes
Delinquent taxes and interest
Other taxes
State categorical aid
Earnings on investments
Other

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

Net (Expenses) Revenues and Change in Net Position
Total Governmental Activities
$ (868,470)
(97,182)
(3,074)
(169,103)
(93,429)
(53,427)
(444,157)
(80,641)
(133,161)
(2,970)
29,441
(902,071)
(204,064)
(3,022,308)
1,442,732
526,856
121,693
4,307
2,088
2,038,287
9,748
109,003
4,254,714
1,232,406
26,644,997
$ 27,877,403

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
Assets				
Cash	$ 2,930,694		$ 283,900	$ 162,333
Cash with fiscal agent	20,490	$ 437,748		
Investments	834,320		278,082	
Due from other funds	4,027	13,137		
Property taxes receivable	27,475	9,591		
Grants receivable	57,006			12,732
Other receivables				343
Inventories				3,261
Total assets	$ 3,874,012	$ 460,476	$ 561,982	$ 178,669
Liabilities				
Accounts payable	$ 32,396			$ 1,356
Accrued salaries and benefits	183,680			
Payroll deductions	562			
Due to other funds	13,137			4,027
Unearned grant revenue	6,051			
Unearned revenue				2,389
Total liabilities	235,826	$ -	$ -	7,772
Deferred inflows of resources				
Deferred property tax revenues	7,475	1,591		
Total deferred inflows of resources	7,475	1,591	-	-
Fund balance				
Nonspendable inventories				3,261
Restricted to emergencies	125,000			
Restricted to food service				10,071
Restricted to debt service		458,885		
Restricted to capital projects			561,982	
Committed pupil activities				38,442
Committed for capital projects				119,123
Unassigned	3,505,711			
Total fund balance	3,630,711	458,885	561,982	170,897
Total liabilities, deferred inflows of resources and fund balance	$ 3,874,012	$ 460,476	$ 561,982	$ 178,669

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

Total Governmental Funds
$ 3,376,927
458,238
1,112,402
17,164
37,066
69,738
343
3,261
$ 5,075,139
$ 33,752
183,680
562
17,164
6,051
2,389
243,598
9,066
9,066
3,261
125,000
10,071
458,885
561,982
38,442
119,123
3,505,711
4,822,475
$ 5,075,139

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 4,822,475
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds.	33,452,223
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds.	9,066
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(21,096)
Long-term liabilities and related deferred outflows and inflows of resources, including bonds payable, compensated absences and net pension and OPEB liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(10,385,265)
Net position of the governmental activities	$ 27,877,403

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
Revenues				
Local sources	$ 1,624,493	$ 538,236	$ 9,239	$ 79,609
Intermediate sources	22,476			
State sources	2,398,949			699
Federal sources	217,018			131,571
Total revenues	4,262,936	538,236	9,239	211,879
Expenditures				
Instruction	1,865,728			77,698
Supporting services	1,647,210			145,776
Capital outlay			196,760	30,468
Debt service				
Principal retirement		260,000		
Interest and fiscal charges		255,750		
Total expenditures	3,512,938	515,750	196,760	253,942
Excess of revenues over (under) expenditures	749,998	22,486	(187,521)	(42,063)
Other financing sources (uses)				
Transfers in				55,000
Transfers out	(55,000)			
Total other financing sources (uses)	(55,000)	-	-	55,000
Net change in fund balance	694,998	22,486	(187,521)	12,937
Fund balance at beginning of year	2,935,713	436,399	749,503	157,960
Fund balance at end of year	$ 3,630,711	$ 458,885	$ 561,982	$ 170,897

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

Total Governmental Funds
$ 2,251,577
22,476
2,399,648
348,589
5,022,290
1,943,426
1,792,986
227,228
260,000
255,750
4,479,390
542,900
55,000
(55,000)
-
542,900
4,279,575
$ 4,822,475

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

Net change in fund balances - governmental funds	$	542,900
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.		(704,544)
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		(34,649)
In the statement of activities, certain expenses related to the pension and OPEB liabilities and related deferred outflows and inflows, as well as accrued compensated absences and interest - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		1,168,699
Repayment of principal on bonds payable are expenditures in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position		260,000
Change in net position of governmental activities	$	1,232,406

Note A – Summary of significant accounting policies

This summary of the Deer Trail School District No. 26-J's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The Deer Trail School District No. 26-J is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, debt service, food service operations and pupil activities.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

Note A – Summary of significant accounting policies (Continued)

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

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Note A – Summary of significant accounting policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

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 (expenditure) until then.

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

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Note A – Summary of significant accounting policies (Continued)

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year's budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.7 – Inventories

Food Service Fund – purchased inventories are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture's assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than $5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Note A – Summary of significant accounting policies (Continued)

Description	Governmental Activities
Buildings and improvements	3-30 years
Transportation equipment	7-10 years
Other equipment	3-20 years

A.9 – Compensated absences

The Board of Education recognizes that there may be times when an employee is unable to fulfill the duties of his/her position due to a temporary medical problem. Therefore, paid leave is provided for full-time employees in accordance with District policy.

All full-time certified employees shall be granted six leave days per year, which may be accumulated up to sixty days total. Upon termination of employment, certified staff will be paid $40 per day for unused sick leave accumulated after 2001; amounts earned prior to 2001 shall be paid $25 per day.

All full-time classified employees shall be granted nine leave days per year, which may be accumulated up to thirty days total. Upon termination of employment, classified staff will be paid $25 per day for unused sick leave.

The entire compensated absences liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of the compensated absences, using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available resources. Capital lease obligation and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.11 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type 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 listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

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,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

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
Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

Note A – Summary of significant accounting policies (Continued)

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.12 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the

Note B – Cash and investments (Continued)

State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have deposit policy for custodial credit risk. As of year-end, the District had total deposits of $3,452,352, of which $250,000 was insured and $3,202,352 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Investments

Authorized Investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

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

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2022, the District had invested $1,112,402 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

Note B – Cash and investments (Continued)

At year-end, the District had the following investments:

		Investment maturities (in years)		
Investment type	Fair value	Less than 1	1-5	6-10
Investment in Colotrust	$ 1,112,402	$ 1,112,402	$ -	$ -

The investment in Colotrust is maintained in the General and Building Funds.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District's investment in Colotrust was rated AAA by Standard and Poor's, Fitch Ratings and Moody's Investors Service.

Interest rate risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities
Property taxes receivable	$ 37,066
Grants receivable	69,738
Other receivable	343
Total	$ 107,147

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Adams and Arapahoe Counties bill and collect property taxes for all taxing entities within the counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund transactions for the year as presented in the fund financial statements:

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	$ 4,027	$ 13,137
Bond redemption fund	13,137	-
Other governmental funds	-	4,027
Total	$ 17,164	$ 17,164

All balances resulted from the lag time between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund receivables and payables are eliminated through the transfer of funds from one fund to another.

	Transfers In	Transfers Out
Governmental Funds		
General fund	$ -	$ 55,000
Other governmental funds	55,000	-
Total	$ 55,000	$ 55,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of $55,000 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District's food service operations ($50,000) and student athletics ($5,000).

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 210,557	$ -	$ -	$ 210,557
Construction in progress	223,930	56,216	(280,146)	-
Total capital assets, not being depreciated	434,487	56,216	(280,146)	210,557
Capital assets, being depreciated:				
Buildings and improvements	35,601,468	118,294	280,146	35,999,908
Transportation equipment	402,447	-	-	402,447
Other equipment	357,737	58,081	-	415,818
Total capital assets, being depreciated	36,361,652	176,375	280,146	36,818,173
Total capital assets	36,796,139	232,591	-	37,028,730
Less accumulated depreciation for:				
Buildings and improvements	(2,001,011)	(901,936)	-	(2,902,947)
Transportation equipment	(359,944)	(24,619)	-	(384,563)
Other equipment	(278,417)	(10,580)	-	(288,997)
Total accumulated depreciation	(2,639,372)	(937,135)	-	(3,576,507)
Governmental activities capital assets, net	$ 34,156,767	$ (704,544)	$ -	$ 33,452,223

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

Governmental activities	
Instruction	$ 10,683
Operations and maintenance	5,300
Student transportation	19,081
Unallocated	902,071
Total	$ 937,135

Note F – Accrued salaries and benefits

Salaries and 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 not paid at year-end are estimated to be $183,680. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	Beginning Balances	Additions	Reductions	Ending Balances	Due within one year
Governmental activities					
Compensated absences	$ 30,015	$ -	$ (1,208)	$ 28,807	$ -
Bonds payable	6,020,000	-	(260,000)	5,760,000	270,000
Bond premium	824,308	-	(51,252)	773,056	-
Total	$ 6,874,323	$ -	$ (312,460)	$ 6,561,863	$ 270,000

Payments on bonds payable are made in the Bond Redemption Fund, and the compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Bonds payable

General obligation bonds payable consist of the following individual issue:

$6,690,000 general obligation bonds, dated August 17, 2017, due in annual installments beginning in fiscal year 2019 ranging from $165,000 to $495,000; fixed annual interest rate of 2.00% payable semi-annually on June 1st and December 1st.	
Total general obligation bonds	$ 5,760,000

Note G – Long-term debt (Continued)

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

Year ended June 30,	Principal	Interest
2023	$ 270,000	$ 250,450
2024	275,000	245,000
2025	280,000	236,650
2026	290,000	225,250
2027	300,000	213,450
2028-2032	1,700,000	865,550
2033-2037	2,150,000	402,500
2038	495,000	12,375
Totals	$ 5,760,000	$ 2,451,225

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

Pensions. The District 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 District 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.

Note H – Defined benefit pension plan (Continued)

Benefits provided as of December 31, 2021. 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. Section 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.

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. Section 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

Note H – Defined benefit pension plan (Continued)

membership on or after January 1, 2007, will receive the lessor 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. Section 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, 2022. Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

Note H – Defined benefit pension plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $327,727 for the year ended June 30, 2022.

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. Section 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At year end, the District reported a liability of $3,027,074 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District 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 the District were as follows:

District's proportionate share of the net pension liability	$ 3,027,074
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	347,015
Total	$ 3,374,089

Note H – Defined benefit pension plan (Continued)

At December 31, 2021, the District's proportion was 0.0260%, which was a decrease of 0.0032% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of ($797,669) and revenue of $37,082 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 122,351	$ -
Changes of assumptions or other inputs	258,984	-
Net difference between projected and actual earnings on pension plan investments	-	1,167,659
Changes in proportion and differences between contributions recognized and proportionate share of contributions	469,472	464,143
Contributions subsequent to the measurement date	165,033	-
Total	$ 1,015,840	$ 1,631,802

$165,033 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 subsequent year. 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,	Amount
2023	$ 15,894
2024	(313,756)
2025	(344,994)
2026	(138,139)
Totals	$ (780,995)

Note H – Defined benefit pension plan (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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.

Note H – Defined benefit pension plan (Continued)

- **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, 2020, 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 every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

Note H – Defined benefit pension plan (Continued)

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

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a 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.

Note H – Defined benefit pension plan (Continued)

- 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.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 4,455,605	$ 3,027,074	$ 1,835,018

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.

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

Note I – Defined contribution pension plan

Voluntary Investment Program

Plan description - Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, 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 Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy - The Voluntary Investment Program 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. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed $16,064 for the Voluntary Investment Program.

Note J – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

OPEB. The District 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 District 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.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

PERA Benefit Structure

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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. Section 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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $16,815 for the year ended June 30, 2022.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

At year-end, the District reported a liability of $146,451 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.0170%, which was an increase of 0.0001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of ($19,467). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 221	$ 33,454
Changes of assumptions or other inputs	3,018	7,885
Net difference between projected and actual earnings on OPEB plan investments	-	8,906
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,261	6,637
Contributions subsequent to the measurement date	8,467	-
Total	$ 22,967	$ 56,882

$8,467 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Year Ended June 30,	Amount
2023	$ (11,106)
2024	(13,257)
2025	(12,791)
2026	(4,192)
2027	(897)
2028	(139)
Total	$ (42,382)

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs for the School Division:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, 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

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, 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 TO for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the 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.

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

Post-retirement non-disabled mortality assumptions for the 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 the School and 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.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, 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 every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 142,245	$ 146,451	$ 151,323

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions 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, 2021, 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 make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the 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:

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 170,087	$ 146,451	$ 126,261

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.

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverage through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverage. The District's contribution for the year was $148,341. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Note L – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of $125,000 for the emergency reserve.

Note M – Joint ventures

East Central Board of Cooperative Educational Services

The District participates in the East Central Board of Cooperative Educational Services (BOCES), an administrative unit serving 19 area school districts.

Prairie Creeks Charter School

The District participates in the Prairie Creeks Charter School (Charter School), a joint venture charter school created in conjunction with other surrounding school districts.

These joint ventures do not meet the criteria for inclusion within the reporting entity because the BOCES and Charter School:

- are financially independent and responsible for their own financing deficits and entitled to their own surpluses,
- have separate governing boards from that of the District,
- have separate managements which are responsible for the day to day operations and are accountable to the separate boards,

Note M – Joint ventures (Continued)

- governing boards and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients or services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The District has one member on the board of each entity. These boards have final authority for all budgeting and financing of the joint ventures.

Separate financial statements of the East Central Board of Cooperative Educational Services and the Prairie Creeks Charter School are available by contacting their administrative offices in Limon, Colorado and Strasburg, Colorado, respectively.

For the year, the District's contributions to the BOCES and the Charter School were $119,709 and $25,921, respectively.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund

DEER TRAIL SCHOOL DISTRICT NO. 26-J
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 1,373,056	$ 1,580,358	$ 1,624,493	$ 44,135
Intermediate sources	25,017	25,017	22,476	(2,541)
State sources	2,106,393	2,209,374	2,398,949	189,575
Federal sources	149,509	203,254	217,018	13,764
Total revenues	3,653,975	4,018,003	4,262,936	244,933
Expenditures				
Instruction	1,962,596	2,142,978	1,865,728	277,250
Supporting services	1,567,746	1,747,392	1,647,210	100,182
Total expenditures	3,530,342	3,890,370	3,512,938	377,432
Excess of revenues over (under) expenditures	123,633	127,633	749,998	622,365
Other financing uses				
Transfers out			(55,000)	(55,000)
Net change in fund balance	$ 123,633	$ 127,633	694,998	$ 567,365
Fund balance at beginning of year			2,935,713	
Fund balance at end of year			$ 3,630,711	

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DEER TRAIL SCHOOL DISTRICT NO. 26-J

Schedule of the District's Proportionate Share of the Net Pension Liability [1]

PERA's School Division Trust Fund

June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension liability	0.0260%	0.0292%	0.0244%	0.0260%
District's proportionate share of the net pension liability	$ 3,027,074	$ 4,407,021	$ 3,638,134	$ 4,602,096
State's proportionate share of the net pension liability	347,015	-	461,451	629,273
Total	$ 3,374,089	$ 4,407,021	$ 4,099,585	$ 5,231,369
District's covered payroll	$ 1,625,647	$ 1,558,826	$ 1,430,836	$ 1,428,820
District's proportionate share of the net pension liability as a percentage of its covered payroll	186.21%	282.71%	254.27%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

1 Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.0296%	0.0287%	0.0305%	0.0292%	0.0304%
$ 9,555,771	$ 8,539,059	$ 4,658,828	$ 3,959,605	$ 3,880,611
-	-	-	-	-
$ 9,555,771	$ 8,539,059	$ 4,658,828	$ 3,959,605	$ 3,880,611
$ 1,363,156	$ 1,287,196	$ 1,327,491	$ 1,223,894	$ 1,226,500
701.00%	663.38%	350.95%	323.53%	316.40%
43.96%	43.10%	59.20%	62.84%	64.06%

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Schedule of District Contributions [1]
PERA's School Division Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 327,727	$ 317,015	$ 291,733	$ 266,489
Contributions in relation to the contractually required contribution	(327,727)	(317,015)	(291,733)	(266,489)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,648,523	$ 1,594,640	$ 1,505,325	$ 1,393,040
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%

[1] Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 269,891	$ 239,358	$ 233,942	$ 212,571	$ 194,190
(269,891)	(239,358)	(233,942)	(212,571)	(194,190)
$ -	$ -	$ -	$ -	$ -
$ 1,429,026	$ 1,301,842	$ 1,333,662	$ 1,258,763	$ 1,215,378
18.89%	18.39%	17.54%	16.89%	15.98%

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Schedule of the District's Proportionate Share of the Net OPEB Liability [1]
PERA's Health Care Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net OPEB liability	0.0170%	0.0169%	0.0159%	0.0169%
District's proportionate share of the net OPEB liability	$ 146,451	$ 160,177	$ 178,863	$ 229,847
District's covered payroll	$ 1,625,647	$ 1,558,826	$ 1,430,836	$ 1,428,820
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

1 Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017
0.0168%	0.0163%
$ 218,213	$ 211,359
$ 1,363,156	$ 1,287,196
16.01%	16.42%
17.53%	16.72%

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Schedule of District Contributions [1]
PERA's Health Care Trust Fund
June 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually required contribution	$ 16,815	$ 16,265	$ 15,354	$ 14,209
Contributions in relation to the contractually required contribution	(16,815)	(16,265)	(15,354)	(14,209)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,648,523	$ 1,594,640	$ 1,505,325	$ 1,393,040
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

1 Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2018	June 30, 2017
$ 14,576	$ 13,279
(14,576)	(13,279)
$ -	$ -
$ 1,429,026	$ 1,301,842
1.02%	1.02%

Note A – Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to June 1, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that depreciation is not budgeted as an expense in the Food Service Fund.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
8. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Supplementary Information

Other supplementary information includes financial statements and schedules that are not required by the Governmental Accounting Standards Board, not a part of the basic financial statements, but are presented for purposes of additional analysis.

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

DEER TRAIL SCHOOL DISTRICT NO. 26-J
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Property taxes	$ 1,258,131	$ 1,446,620	$ 1,467,919	$ 21,299
Specific ownership taxes	71,520	89,333	121,693	32,360
Delinquent taxes and interest	1,000	2,000	3,036	1,036
Other taxes			1,613	1,613
Earnings on investments	12,000	12,000	6,904	(5,096)
Pupil activities	2,000	2,000	4,225	2,225
Other local revenue	28,405	28,405	19,103	(9,302)
Total local sources	1,373,056	1,580,358	1,624,493	44,135
Intermediate sources	25,017	25,017	22,476	(2,541)
State sources				
Equalization	1,910,349	2,008,805	2,038,287	29,482
Vocational education	15,000	15,000	21,579	6,579
ELPA professional development	7,171		633	633
English language proficiency	6,410	9,147	9,147	-
Transportation	15,000	19,055	19,469	414
School counselor grant			3,275	3,275
State grants to libraries	3,500	4,500	4,500	-
Small rural schools funding	89,292	89,292	89,292	-
Additional at-risk funding			1,642	1,642
READ Act	8,300	6,948	6,948	-
Mitigation at-risk funding			85,854	85,854
On-behalf payment			37,082	37,082
Services within the BOCES	51,371	56,627	81,241	24,614
Total state sources	2,106,393	2,209,374	2,398,949	189,575
Federal sources				
ESSER II 9.5% (state reserve)	42,525	42,525	41,056	(1,469)
ESSER II - distribution 90%	57,483	57,483	74,350	16,867
Title 1-A school improvement		50,000	48,460	(1,540)
ESF: 10% discretionary			20	20
REAP	20,012	23,757	23,757	-
Services within the BOCES	29,489	29,489	29,375	(114)
Total federal sources	149,509	203,254	217,018	13,764
Total revenues	$ 3,653,975	$ 4,018,003	$ 4,262,936	$ 244,933

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DEER TRAIL SCHOOL DISTRICT NO. 26-J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures				
Instruction				
Salaries	$ 1,167,556	$ 1,218,485	$ 1,143,418	$ 75,067
Employee benefits	469,112	503,699	440,931	62,768
Purchased services	216,079	228,684	124,836	103,848
Supplies and materials	88,724	130,035	99,601	30,434
Property	16,825	57,775	52,715	5,060
Other	4,300	4,300	4,227	73
Total instruction	1,962,596	2,142,978	1,865,728	277,250
Supporting services				
Students				
Salaries	99,560	110,233	108,124	2,109
Employee benefits	31,065	33,551	48,007	(14,456)
Purchased services	45,400	45,400	59,743	(14,343)
Supplies and materials	1,900	2,400	4,276	(1,876)
Total students	177,925	191,584	220,150	(28,566)
Instructional staff				
Salaries	10,750	26,409	22,653	3,756
Employee benefits	2,421	5,919	11,262	(5,343)
Purchased services	27,716	68,296	64,341	3,955
Supplies and materials	7,000	12,500	16,681	(4,181)
Property		5,500	6,590	(1,090)
Total instructional staff	47,887	118,624	121,527	(2,903)
General administration				
Salaries	143,875	167,175	165,596	1,579
Employee benefits	58,860	61,730	59,573	2,157
Purchased services	42,680	50,680	37,450	13,230
Supplies and materials	8,250	11,700	7,052	4,648
Property	500	500		500
Other	6,700	6,700	7,340	(640)
Total general administration	260,865	298,485	277,011	21,474

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
School administration				
Salaries	120,900	120,900	121,513	(613)
Employee benefits	43,995	44,245	43,576	669
Purchased services	3,250	4,250	2,442	1,808
Supplies and materials	4,200	5,700	4,405	1,295
Other	100	675	675	-
Total school administration	172,445	175,770	172,611	3,159
Business services				
Salaries	44,800	44,800	43,960	840
Employee benefits	10,330	10,330	10,639	(309)
Purchased services	40,440	43,440	24,682	18,758
Supplies and materials	2,000	2,900	2,076	824
Property	500	500		500
Other	1,000	1,000	716	284
Total business services	99,070	102,970	82,073	20,897
Operations and maintenance				
Salaries	91,000	98,500	78,441	20,059
Employee benefits	29,020	30,410	27,003	3,407
Purchased services	241,000	259,100	229,910	29,190
Supplies and materials	148,864	154,694	151,414	3,280
Property	7,000	14,500	3,204	11,296
Total operations and maintenance	516,884	557,204	489,972	67,232
Student transportation				
Salaries	51,050	51,050	57,866	(6,816)
Employee benefits	11,570	11,570	16,239	(4,669)
Purchased services	34,800	26,800	24,864	1,936
Supplies and materials	16,500	16,500	19,203	(2,703)
Property	500	500		500
Other	600	600	564	36
Total student transportation	115,020	107,020	118,736	(11,716)

(continued)

DEER TRAIL SCHOOL DISTRICT NO. 26-J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022

(continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Central support services				
Salaries	54,100	54,100	44,502	9,598
Employee benefits	19,000	19,000	18,092	908
Purchased services	72,000	73,600	62,033	11,567
Supplies and materials	25,800	28,000	24,315	3,685
Property	5,000	17,785	13,218	4,567
Other	750	750		750
Total central support services	176,650	193,235	162,160	31,075
Other support services				
Employee benefits	1,000	2,500	2,970	(470)
Total other support services	1,000	2,500	2,970	(470)
Total supporting services	1,567,746	1,747,392	1,647,210	100,182
Total expenditures	$ 3,530,342	$ 3,890,370	$ 3,512,938	$ 377,432

Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to record financial transactions related to the District's food service operations.

- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Capital Reserve Capital Projects Fund – This fund was established to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Totals
Assets				
Cash	$ 3,412	$ 39,798	$ 119,123	$ 162,333
Grants receivable	12,732			12,732
Other receivables	343			343
Inventories	3,261			3,261
Total assets	$ 19,748	$ 39,798	$ 119,123	$ 178,669
Liabilities				
Accounts payable		$ 1,356		$ 1,356
Due to other funds	$ 4,027			4,027
Unearned revenue	2,389			2,389
Total liabilities	6,416	1,356	$ -	7,772
Fund balance				
Nonspendable inventories	3,261			3,261
Restricted to food service	10,071			10,071
Committed to pupil activities		38,442		38,442
Committed to capital projects			119,123	119,123
Total fund balance	13,332	38,442	119,123	170,897
Total liabilities and fund balance	$ 19,748	$ 39,798	$ 119,123	$ 178,669

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2022

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Totals
Revenues				
Local sources	$ 8,725	$ 70,798	$ 86	$ 79,609
State sources	699			699
Federal sources	131,571			131,571
Total revenues	140,995	70,798	86	211,879
Expenditures				
Instruction		77,698		77,698
Supporting services	145,776			145,776
Capital outlay			30,468	30,468
Total expenditures	145,776	77,698	30,468	253,942
Excess of revenues over (under) expenditures	(4,781)	(6,900)	(30,382)	(42,063)
Other financing sources				
Transfers in		5,000	50,000	55,000
Net change in fund balance	(4,781)	(1,900)	19,618	12,937
Fund balance at beginning of year	18,113	40,342	99,505	157,960
Fund balance at end of year	$ 13,332	$ 38,442	$ 119,123	$ 170,897

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 20,510	$ 8,310	$ 8,725	$ 415
State sources	1,500	1,500	699	(801)
Federal sources	39,000	112,500	131,571	19,071
Total revenues	61,010	122,310	140,995	18,685
Expenditures				
Food service operations				
Salaries	57,000	57,000	53,550	3,450
Employee benefits	29,535	29,535	27,976	1,559
Purchased services	10,000	10,000	6,934	3,066
Supplies and materials	45,000	60,000	56,947	3,053
Property	6,500	6,500		6,500
Other	100	300	369	(69)
Total expenditures	148,135	163,335	145,776	17,559
Net change in fund balance	$ (87,125)	$ (41,025)	(4,781)	$ 36,244
Fund balance at beginning of year			18,113	
Fund balance at end of year			$ 13,332	

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Earnings on investments			$ 12	$ 12
Fundraising and other events	$ 90,000	$ 90,000	70,786	(19,214)
Total revenues	90,000	90,000	70,798	(19,202)
Expenditures				
Instruction				
Purchased services	30,000	30,000	38,831	(8,831)
Supplies and materials	25,000	25,000	38,377	(13,377)
Property	25,000	25,000	490	24,510
Other	25,000	25,000		25,000
Total expenditures	105,000	105,000	77,698	27,302
Excess of revenues over (under) expenditures	(15,000)	(15,000)	(6,900)	8,100
Other financing sources				
Transfers in			5,000	5,000
Net change in fund balance	$ (15,000)	$ (15,000)	(1,900)	$ 13,100
Fund balance at beginning of year			40,342	
Fund balance at end of year			$ 38,442	

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Earnings on investments	$ 25	$ 100	$ 86	$ (14)
Total revenues	25	100	86	(14)
Expenditures				
Capital outlay				
Purchased services	35,000	31,000		31,000
Property	70,000	74,000	30,468	43,532
Debt service				
Principal retirement	22,000	22,000		22,000
Interest and fiscal charges	36,000	36,000		36,000
Total expenditures	163,000	163,000	30,468	132,532
Excess of revenues over (under) expenditures	(162,975)	(162,900)	(30,382)	132,518
Other financing sources				
Transfers in	50,000	50,000	50,000	-
Net change in fund balance	$ (112,975)	$ (112,900)	19,618	$ 132,518
Fund balance at beginning of year			99,505	
Fund balance at end of year			$ 119,123	

Budgetary Comparison Schedule - Debt Service Fund

The District reports the following major debt service fund:

Debt Service Fund – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Property taxes	$ 532,478	$ 532,478	$ 536,318	$ 3,840
Specific ownership taxes	500	500		(500)
Delinquent taxes and interest	500	500	1,271	771
Other taxes			475	475
Earnings on investments	500	500	172	(328)
Total revenues	533,978	533,978	538,236	4,258
Expenditures				
Debt service				
Principal	260,000	260,000	260,000	-
Interest and fiscal charges	256,750	256,750	255,750	1,000
Total expenditures	516,750	516,750	515,750	1,000
Net change in fund balance	$ 17,228	$ 17,228	22,486	$ 5,258
Fund balance at beginning of year			436,399	
Fund balance at end of year			$ 458,885	

Budgetary Comparison Schedule - Capital Projects Fund

The District reports the following major capital projects fund:

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Building Fund – This fund is used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

DEER TRAIL SCHOOL DISTRICT NO. 26-J
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 4,000	$ 2,000	$ 9,239	$ 7,239
Total revenues	4,000	2,000	9,239	7,239
Expenditures				
Capital outlay				
Property	40,000	216,000	196,760	19,240
Total expenditures	40,000	216,000	196,760	19,240
Net change in fund balance	$ (36,000)	$ (214,000)	(187,521)	$ 26,479
Fund balance at beginning of year			749,503	
Fund balance at end of year			$ 561,982	

Colorado Department of Education
Supplementary Schedule

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

Colorado Department of Education

Auditors Integrity Report

District: 0170 - Deer Trail 26J
Fiscal Year 2021-22
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental					
10	General Fund	2,935,713	4,207,935	3,512,938	3,630,711
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
	Sub-Total	**2,935,713**	**4,207,935**	**3,512,938**	**3,630,711**
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	18,113	140,995	145,776	13,332
22	Govt Designated-Purpose Grants Fund	0	0	0	0
23	Pupil Activity Special Revenue Fund	40,342	75,797	77,697	38,442
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	436,399	538,236	515,750	458,885
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	749,503	9,239	196,760	561,982
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	99,505	50,086	30,468	119,123
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals		**4,279,575**	**5,022,289**	**4,479,390**	**4,822,475**
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		**0**	**0**	**0**	**0**
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		**0**	**0**	**0**	**0**

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