

Clear Creek School District RE-1

Financial Report

June 30, 2023



**Clear Creek School District RE-1
Financial Report
June 30, 2023**

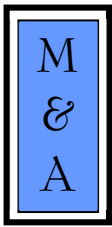
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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Clear Creek School District RE-1
Idaho Springs, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of Clear Creek School District RE-1, Colorado (the "District"), as of and for the year ended June 30, 2023, 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, business-type activities, the discretely presented component unit, and each major fund of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes 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 one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Clear Creek School District RE-1**

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, 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

U.S. GAAP require Management's Discussion and Analysis in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, 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 section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Clear Creek School District RE-1**

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section, and the Statistical Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards, and the Statistical Section listed in the accompanying table of contents 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. Such 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 U.S. GAAS. In our opinion, the combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
November 1, 2023**

Clear Creek School District RE-1
Management's Discussion and Analysis



Clear Creek School District RE-1

Management Discussion and Analysis

As management of Clear Creek School District RE-1 (the "District"), we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statement, which follow this section.

Financial Highlights

The District had the following financial results in 2023:

- The District's General Fund balance at the end of fiscal year 2023 was \$7,233,509. This is a decrease from the prior year of \$560,254.
- The District's ending General Fund balance consists of 62% of the current year expenditures and transfers out of \$11,656,564.

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

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the District.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event effecting 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 taxes and changes in long-term compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The categories that are reported in the District-wide financial statements are as follows:

- **Governmental activities:** All of the District's basic services are included here, such as instructional services, support services, food services, and student activities.
- **Business-type activities:** The District includes the sewer treatment plant and tuition preschools under business-type activities. The District closed the sewer treatment plant fund in 2021 and transferred the assets to the General Fund.
- **Discretely presented component unit:** The District includes the activity of its component unit, Georgetown Community School.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the operations of the District by fund instead of the District as a whole. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Government 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 financial statements, governmental funds financial statements focus on current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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 governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The District's most significant, or "major" governmental funds include the General Fund, the Food Service Fund, the Grant Fund, the Pupil Activity Fund, the Debt Service Fund, the Capital Reserve Fund, and the Building Fund.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The basic major governmental fund statements begin on page C3.

Proprietary funds: The District maintains proprietary funds, which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for its sewer treatment plant and tuition preschools. Proprietary Funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide financial reports for the District's sewer treatment plant and tuition preschools which are considered to be major funds of the District.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a district's financial position. For the year ended June 30, 2023, the District's total net position was \$15,023,913. Of the District's liabilities were net pension liability of \$14,424,368 and net other post-employment benefits ("OPEB") liability of \$491,318. The net pension and OPEB liabilities are the District's proportionate share of the School Division Trust Fund pension liability and Health Care Trust Fund's collective OPEB liability, respectively, administered by the Public Employees' Retirement Association of Colorado. This was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension and OPEB liabilities to December 31, 2022.

The assets of the District are classified as current assets and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax process, with the majority of these taxes received in March, May, and June.

Capital assets are made up of land, construction in progress, buildings, and equipment/vehicles. Current and long-term liabilities are classified based upon anticipated liquidation, either in the near-term or in the future.

Summary of Net Position

The following table provides a summary of the District's net position as of the fiscal year ended June 30, 2023.

Clear Creek School District RE-1's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 54,460,506	57,587,172	\$ 95,580	68,323	\$ 54,556,086	57,655,495
Capital assets, net	24,207,425	18,410,160	-	-	24,207,425	18,410,160
Total Assets	78,667,931	75,997,332	95,580	68,323	78,763,511	76,065,655
Deferred outflow of resources	4,138,327	3,593,320	-	-	4,138,327	3,593,320
Liabilities:						
Other liabilities	3,979,558	1,940,532	26,901	4,990	4,006,459	1,945,522
Long-term liabilities	61,305,706	58,833,969	-	-	61,305,706	58,833,969
Total Liabilities	65,285,264	60,774,501	26,901	4,990	65,312,165	60,779,491
Deferred inflow of resources	2,565,760	6,211,220	-	-	2,565,760	6,211,220
Net Position:						
Invested in capital assets, net of related debt	15,193,824	11,150,442	-	-	15,193,824	11,150,442
Restricted	2,315,784	2,304,789	7,440	-	2,323,224	2,304,789
Unrestricted	(2,554,374)	(850,300)	61,239	63,333	(2,493,135)	(786,967)
Total Net Position	\$ 14,955,234	12,604,931	\$ 68,679	63,333	\$ 15,023,913	12,668,264

Of the District's total assets, 31% are capital assets (e.g. land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students.

Summary of Activities

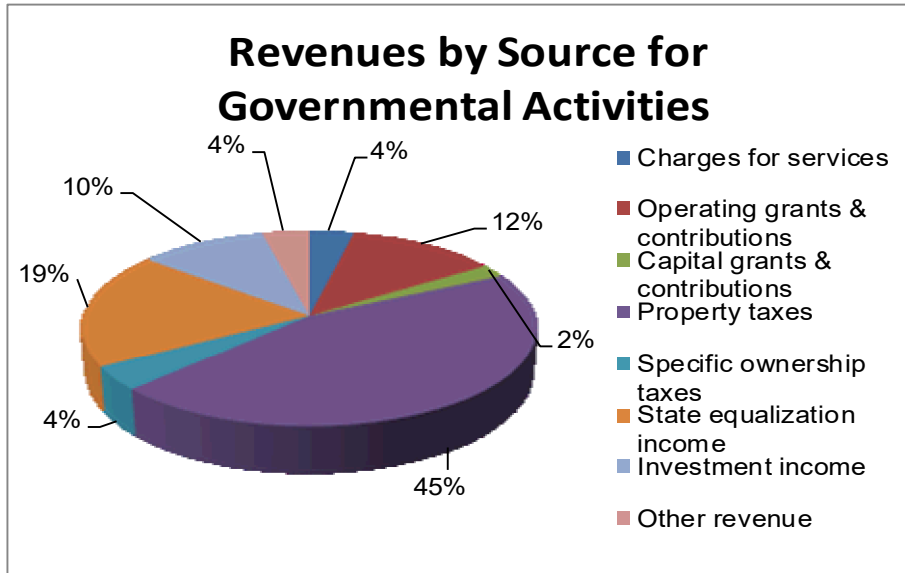
Net position increased by \$2,355,725. The following graph summarizes the District's change in net position:

Clear Creek School District RE-1's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 655,175	501,098	\$ 201,782	79,443	\$ 856,957	580,541
Operating grants & contributions	2,178,951	1,944,937	46,215	-	2,225,166	1,944,937
Capital grants & contributions	382,649	165,990	-	-	382,649	165,990
General revenues:						
Property taxes	8,077,440	8,167,773	-	-	8,077,440	8,167,773
Specific ownership taxes	719,844	675,021	-	-	719,844	675,021
State equalization income	3,453,435	2,542,795	-	-	3,453,435	2,542,795
Grants and contributions not restricted to specific programs	598,245	306,158	-	-	598,245	306,158
Investment income	1,858,265	110,832	-	-	1,858,265	110,832
Gain on disposal of assets	13,000	2,367,306	-	-	13,000	2,367,306
Other revenue	96,258	267,730	-	-	96,258	267,730
Total Revenues	18,033,262	17,049,640	247,997	79,443	18,281,259	17,129,083
Expenses:						
Direct instruction	5,514,486	2,860,930	-	-	5,514,486	2,860,930
Indirect instruction	2,251,887	998,329	-	-	2,251,887	998,329
General administration	1,379,091	621,378	-	-	1,379,091	621,378
Support services	990,125	528,991	-	-	990,125	528,991
Custodial and maintenance	2,810,435	2,210,929	-	-	2,810,435	2,210,929
Transportation	762,545	470,823	-	-	762,545	470,823
Food service	347,957	247,951	-	-	347,957	247,951
Community service	1,074	1,208	-	-	1,074	1,208
Sewer treatment	-	-	-	-	-	-
Tuition preschool	-	-	242,651	72,528	242,651	72,528
Interest on long-term debt	1,625,283	720,719	-	-	1,625,283	720,719
Total Expenses	15,682,883	8,661,258	242,651	72,528	15,925,534	8,733,786
Change in Net Position	2,350,379	8,388,382	5,346	6,915	2,355,725	8,395,297
Net Position - Beginning of Year	12,604,855	3,125,606	63,333	1,147,361	12,668,188	4,272,967
Transfers	-	1,090,943	-	(1,090,943)	-	-
Net Position - End of Year	\$ 14,955,234	12,604,931	\$ 68,679	63,333	\$ 15,023,913	12,668,264

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remainder comes from grants and contributions with the remainder from fees charged for services and miscellaneous sources.

The following chart displays the revenues by source for the total District:



The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Analysis of the District's Funds: As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The District did increase its unassigned balance, or fund balance, at the end of this fiscal year; a focus must be made to make an increase each year to that balance to ensure the fiscal health of the District.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$50,426,510. This is a decrease of \$5,238,733 from the prior year ending fund balances. The increase is mainly due to bond proceeds for construction projects in the Building Fund, which are expected to be spent in following years.

General Fund Budgetary Highlights: The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. Original and final adopted budgets, as well as variances between actual revenues, expenditures, and final budgeted amounts are reflected in the Required Supplementary Information beginning on page E1 of the audited financial statements.

Actual expenditures of \$10,498,122 were favorable to budgeted expenditures of \$16,098,171.

Capital Assets: The District's investment in capital assets for governmental activities as of June 30, 2023 amounts to \$24,207,425, (net accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, and vehicles.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement section of this report.

Long-Term Debt: As of June 30, 2023, the District had an outstanding debt of \$61,305,706 consisting of the District's net pension and OPEB liabilities, general obligation bonds, and compensated absences payable. The District's net pension liability increased \$3,833,027 from the previous year.

Additional information as well as a detailed classification of the District's long-term liabilities can be found in the Notes to the Financial Statement section of this report.

Economic Factors: The Public School Finance Act is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school District based upon a formula that takes into consideration the cost of living, number of students, District size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education.

Next Year's Budget and Rates: The District's General Fund balance at the end of fiscal year 2023 was \$7,233,509. The District budgeted revenues to cover budgeted expenditures in the General Fund for fiscal year 2023.

Request for Information:

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

Clear Creek School District RE-1
Chief Financial Officer
P.O. Box 3399
Idaho Springs, CO 80452

Clear Creek School District RE-1

Basic Financial Statements



Clear Creek School District RE-1
Statement of Net Position
June 30, 2023

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Georgetown Community School
Assets:				
Current Assets:				
Cash and cash equivalents	53,215,025	-	53,215,025	839,201
Accounts receivable, net:				
Taxes	454,137	-	454,137	-
Other governments	73,719	-	73,719	103,140
Other	798,875	-	798,875	-
Internal balances	(95,150)	95,150	-	-
Prepaid expenses	8,797	430	9,227	1,375
Inventory	5,103	-	5,103	-
Total Current Assets	<u>54,460,506</u>	<u>95,580</u>	<u>54,556,086</u>	<u>943,716</u>
Capital Assets:				
Capital assets not being depreciated	8,856,808	-	8,856,808	-
Capital assets being depreciated, net	15,350,617	-	15,350,617	102,071
Total Capital Assets	<u>24,207,425</u>	<u>-</u>	<u>24,207,425</u>	<u>102,071</u>
Total Assets	<u>78,667,931</u>	<u>95,580</u>	<u>78,763,511</u>	<u>1,045,787</u>
Deferred Outflows of Resources				
Related to pension	4,047,391	-	4,047,391	321,429
Related to other post-employment benefits ("OPEB")	90,936	-	90,936	7,696
Total Deferred Outflows of Resources	<u>4,138,327</u>	<u>-</u>	<u>4,138,327</u>	<u>329,125</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	2,372,796	485	2,373,281	44,348
Contracts and retainage payable	210,608	-	210,608	-
Accrued compensation	1,032,260	26,416	1,058,676	91,859
Unearned revenue	133,158	-	133,158	-
Other current liabilities	96,154	-	96,154	-
Accrued interest	134,582	-	134,582	-
Total Current Liabilities	<u>3,979,558</u>	<u>26,901</u>	<u>4,006,459</u>	<u>136,207</u>
Noncurrent Liabilities:				
Accrued compensated absences	961,229	-	961,229	107,900
Bonded debt:				
Due within one year	1,242,958	-	1,242,958	-
Due in more than one year	44,185,833	-	44,185,833	-
Net pension liability	14,424,368	-	14,424,368	1,506,178
Net other post-employment benefits liability	491,318	-	491,318	51,321
Total Noncurrent Liabilities	<u>61,305,706</u>	<u>-</u>	<u>61,305,706</u>	<u>1,665,399</u>
Total Liabilities	<u>65,285,264</u>	<u>26,901</u>	<u>65,312,165</u>	<u>1,801,606</u>
Deferred Inflows of Resources				
Related to pension	2,339,996	-	2,339,996	320,163
Related to other post-employment benefits ("OPEB")	225,764	-	225,764	29,283
Total deferred inflows of resources	<u>2,565,760</u>	<u>-</u>	<u>2,565,760</u>	<u>349,446</u>
Net Position:				
Net investment in capital assets	15,193,824	-	15,193,824	102,071
Restricted for:				
Emergencies	267,203	7,440	274,643	42,442
Debt service	2,048,581	-	2,048,581	-
Unrestricted	(2,554,374)	61,239	(2,493,135)	(920,653)
Total Net Position	<u>14,955,234</u>	<u>68,679</u>	<u>15,023,913</u>	<u>(776,140)</u>

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

**Clear Creek School District RE-1
Statement of Activities
For the Year Ended June 30, 2023**

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
Direct instruction	5,514,486	345,661	1,888,150	382,649	(2,898,026)		(2,898,026)	
Indirect instruction	2,251,887	11,137	177,090	-	(2,063,660)		(2,063,660)	
General administration	1,379,091	44,804	-	-	(1,334,287)		(1,334,287)	
Support services	990,125	36,000	-	-	(954,125)		(954,125)	
Custodial and maintenance	2,810,435	-	-	-	(2,810,435)		(2,810,435)	
Transportation	762,545	77,895	-	-	(684,650)		(684,650)	
Food service	347,957	139,678	113,711	-	(94,568)		(94,568)	
Community service	1,074	-	-	-	(1,074)		(1,074)	
Interest on long-term debt	1,625,283	-	-	-	(1,625,283)		(1,625,283)	
Total governmental activities	<u>15,682,883</u>	<u>655,175</u>	<u>2,178,951</u>	<u>382,649</u>	<u>(12,466,108)</u>		<u>(12,466,108)</u>	
Business-type Activities:								
Tuition preschool	242,651	201,782	46,215	-		5,346	5,346	
Total Business-type Activities	<u>242,651</u>	<u>201,782</u>	<u>46,215</u>	<u>-</u>		<u>5,346</u>	<u>5,346</u>	
Component Unit:								
Georgetown Community School	1,364,727	38,885	177,899	16,677				(1,131,266)
Total component unit	<u>1,364,727</u>	<u>38,885</u>	<u>177,899</u>	<u>16,677</u>				<u>(1,131,266)</u>
General revenues:								
Taxes:								
Property taxes - Levied for general operations					5,497,580	-	5,497,580	-
Property taxes - Levied for debt service					2,579,860	-	2,579,860	-
Specific ownership taxes					719,844	-	719,844	-
State equalization income					3,453,435	-	3,453,435	1,245,667
Grants and contributions not restricted to specific programs					598,245	-	598,245	11,887
Investment income					1,858,265	-	1,858,265	19,961
Gain on disposal of assets					13,000	-	13,000	-
Other revenue					96,258	-	96,258	-
Total general revenues					<u>14,816,487</u>	<u>-</u>	<u>14,816,487</u>	<u>1,277,515</u>
Change in net position					<u>2,350,379</u>	<u>5,346</u>	<u>2,355,725</u>	<u>146,249</u>
Net Position - Beginning					<u>12,604,855</u>	<u>63,333</u>	<u>12,668,188</u>	<u>(922,389)</u>
Net Position - Ending					<u>14,955,234</u>	<u>68,679</u>	<u>15,023,913</u>	<u>(776,140)</u>

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

Clear Creek School District RE-1
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Governmental Funds
	General Fund	Food Service Fund	Grant Fund	Pupil Activity Fund		Capital Reserve Fund	Building Fund	
Assets:								
Cash and cash equivalents	10,589,851	70,793	-	360,024	1,973,391	3,805,776	-	16,799,835
Restricted cash and cash equivalents	-	-	-	-	-	-	36,415,190	36,415,190
Accounts receivable, net:								
Taxes	191,411	-	-	-	73,706	-	-	265,117
Other governments	73,719	-	56,171	-	-	165,972	-	295,862
Other	378,181	19,566	178,985	-	-	-	-	576,732
Due from other funds	-	-	24,633	-	1,484	2,580,218	-	2,606,335
Prepaid expenses	2,032	-	6,765	-	-	-	-	8,797
Inventories	-	5,103	-	-	-	-	-	5,103
Total Assets	11,235,194	95,462	266,554	360,024	2,048,581	6,551,966	36,415,190	56,972,971
Liabilities:								
Accounts payable and accrued expenses	276,191	868	55,068	-	-	466,784	1,573,885	2,372,796
Contracts and retainage payable	-	-	-	-	-	19,705	190,903	210,608
Accrued salaries	931,756	13,720	86,784	-	-	-	-	1,032,260
Due to other funds	2,697,584	1,887	-	-	-	-	2,014	2,701,485
Unearned revenue	-	8,456	124,702	-	-	-	-	133,158
Other current liabilities	96,154	-	-	-	-	-	-	96,154
Total Liabilities	4,001,685	24,931	266,554	-	-	486,489	1,766,802	6,546,461
Fund Balances:								
Non-spendable:								
Prepaid expenses	2,032	-	6,765	-	-	-	-	8,797
Inventories	-	5,103	-	-	-	-	-	5,103
Restricted:								
TABOR	257,622	4,248	-	-	-	5,333	-	267,203
Bond proceeds	-	-	-	-	-	-	34,648,388	34,648,388
Debt service	-	-	-	-	2,048,581	-	-	2,048,581
Committed:								
Food service	-	61,180	-	-	-	-	-	61,180
Capital projects	-	-	-	-	-	6,060,144	-	6,060,144
Student activities	-	-	-	360,024	-	-	-	360,024
Unassigned	6,973,855	-	(6,765)	-	-	-	-	6,967,090
Total Fund Balances	7,233,509	70,531	-	360,024	2,048,581	6,065,477	34,648,388	50,426,510
Total Liabilities and Fund Balances	11,235,194	95,462	266,554	360,024	2,048,581	6,551,966	36,415,190	56,972,971

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

Clear Creek School District RE-1
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Governmental Funds Total Fund Balance		50,426,510
<p>Property taxes receivable will be collected this calendar year, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds.</p>		
		189,020
<p>Capital assets used in governmental activities are not considered current financial resources and therefore, are not reported in the governmental funds:</p>		
Capital assets	52,727,388	
Accumulated depreciation	<u>(28,519,963)</u>	24,207,425
<p>Changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan and Health Care Trust Fund are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members:</p>		
Net Unamortized Pension-related Deferred Outflows and Inflows	1,707,394	
Net Unamortized OPEB-related Deferred Outflows and Inflows	<u>(134,828)</u>	1,572,566
<p>Deferred charges such as deferred refunding costs, and premiums and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position:</p>		
Premiums and discounts on bonded debt	<u>(6,692,567)</u>	(6,692,567)
<p>Long-term liabilities, including bonds payable, net pension and OPEB liability, accrued compensated absences, leases payable, and accrued interest are not due and payable in the current period and therefore, are not reported in the funds. This is the amount of District long-term liabilities:</p>		
Bonds payable	(38,736,224)	
Net pension liability	(14,424,368)	
Net OPEB liability	(491,318)	
Accrued compensated absences and early retirement	(961,229)	
Accrued interest	<u>(134,581)</u>	<u>(54,747,720)</u>
Governmental Activities Net Position		<u><u>14,955,234</u></u>

The accompanying notes are an integral part of these statements.

Clear Creek School District RE-1
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Governmental Funds
	General Fund	Food Service Fund	Grant Fund	Pupil Activity Fund		Capital Reserve Fund	Building Fund	
Revenues:								
Local sources	6,779,510	139,678	7,212	345,661	2,589,557	-	1,507,627	11,369,245
Federal sources	642,949	111,781	1,324,031	-	-	-	-	2,078,761
State sources	3,673,851	5,417	124,810	-	-	202,353	-	4,006,431
Total Revenues	11,096,310	256,876	1,456,053	345,661	2,589,557	202,353	1,507,627	17,454,437
Expenditures:								
Direct instruction	4,611,435	-	818,104	309,525	-	-	-	5,739,064
Indirect instruction	1,649,971	-	497,475	-	-	-	-	2,147,446
General administration	1,315,552	-	8,176	-	-	-	-	1,323,728
Support services	745,030	-	75,176	-	-	-	-	820,206
Custodial and maintenance	1,484,102	-	23,983	-	-	-	-	1,508,085
Transportation	728,353	-	30,300	-	-	-	-	758,653
Community service	1,074	-	-	-	-	-	-	1,074
Food service	-	334,142	2,839	-	-	-	-	336,981
Capital outlay	-	-	-	-	-	1,241,450	5,987,336	7,228,786
Debt service:								
Principal	215,276	-	-	-	1,000,000	-	-	1,215,276
Interest and fiscal charges	105,771	-	-	-	1,521,100	-	-	1,626,871
Total Expenditures	10,856,564	334,142	1,456,053	309,525	2,521,100	1,241,450	5,987,336	22,706,170
Excess (Deficiency) of Revenues Over Expenditures	239,746	(77,266)	-	36,136	68,457	(1,039,097)	(4,479,709)	(5,251,733)
Other Financing Sources (Uses)								
Sale of capital assets	-	-	-	-	-	13,000	-	13,000
Transfers in (out)	(800,000)	-	-	-	-	800,000	-	-
Total Other Financing Sources (Uses)	(800,000)	-	-	-	-	813,000	-	13,000
Net Change in Fund Balance	(560,254)	(77,266)	-	36,136	68,457	(226,097)	(4,479,709)	(5,238,733)
Fund Balance - Beginning of Year	7,793,763	147,797	-	323,888	1,980,124	6,291,574	39,128,097	55,665,243
Fund Balance - End of Year	7,233,509	70,531	-	360,024	2,048,581	6,065,477	34,648,388	50,426,510

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

Clear Creek School District RE-1
Reconciliation of Revenues, Expenditures and Change in Fund Balances
of Governmental Funds to the Statement of Activities
June 30, 2023

Governmental Funds Change in Fund Balances	(5,238,733)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays reported as expenditures in the governmental funds.	7,064,609
Debt principal payments result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments as reductions against long-term liabilities.	1,215,276
Accrued compensated absences and early retirement reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.	(205,214)
Amortization of deferred costs such as premium and discounts on bonds payable and deferred charges from refundings and changes in accrued interest have no impact on current available resources but do change government-wide net position.	331,711
Deferred property tax revenues do not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is the change in the deferred property tax recognized in the Statement of Activities.	71,528
Changes in the District's net pension and OPEB liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the District's net pension and OPEB liabilities during the year, including differences between employer contributions to the pension plan or Health Care Trust Fund and amortization of pension-related and OPEB-related deferrals.	378,546
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense reported as an expenditure in the governmental activities' functions.	(1,267,344)
Governmental Activities Change in Net Position	<hr style="border: 0.5px solid black;"/> 2,350,379 <hr style="border: 0.5px solid black;"/>

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

Clear Creek School District RE-1
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Sewer Treatment Fund</u>	<u>Tuition Preschool Fund</u>	<u>Total</u>
Assets:			
Prepaid expenses	-	430	430
Total Assets	<u>-</u>	<u>430</u>	<u>430</u>
Liabilities:			
Accounts payable and accrued expenses	-	485	485
Accrued salaries	-	26,416	26,416
Due to other funds	-	(95,150)	(95,150)
Total Liabilities	<u>-</u>	<u>(68,249)</u>	<u>(68,249)</u>
Net Position:			
Restricted:			
TABOR	-	7,440	7,440
Unrestricted	-	61,239	61,239
Total Net Position	<u>-</u>	<u>68,679</u>	<u>68,679</u>

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

Clear Creek School District RE-1
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Sewer Treatment Fund</u>	<u>Tuition Preschool Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services			
Tuition	-	201,782	201,782
	-	201,782	201,782
Total Operating Revenues	-	201,782	201,782
Operating Expenses:			
Salaries	-	171,646	171,646
Benefits	-	42,161	42,161
Supplies and materials	-	10,113	10,113
Other	-	18,731	18,731
	-	242,651	242,651
Total Expenses	-	242,651	242,651
Operating Income (Loss)	-	(40,869)	(40,869)
Nonoperating Revenues (Expenses):			
Federal grants		46,215	46,215
	-	46,215	46,215
Total Nonoperating Revenues (Expenses):	-	46,215	46,215
Net Change in Net Position	-	5,346	5,346
Net Position - Beginning of Year	-	63,333	63,333
Net Position - End of Year	-	68,679	68,679

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

Clear Creek School District RE-1
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Sewer Treatment Fund	Tuition Preschool Fund	Total
Cash Flows from Operating Activities:			
Cash received from tuition and state sources	-	201,782	201,782
Payments to employees	-	(191,975)	(191,975)
Payments to vendors	-	(56,022)	(56,022)
Net cash (used) by operating activities	<u>-</u>	<u>(46,215)</u>	<u>(46,215)</u>
Cash Flows from Capital and Related Financing Activities:			
Federal and State capital grants	-	46,215	46,215
Net cash provided by capital and related financing activities	<u>-</u>	<u>46,215</u>	<u>46,215</u>
Net Increase (Decrease) In Cash	-	-	-
Cash and Cash Equivalents - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents - June 30	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:			
Operating income (loss)	-	(40,869)	(40,869)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities related to operations:			
(Increase) decrease in prepaids	-	(430)	(430)
(Increase) decrease in due to from other funds	-	(26,827)	(26,827)
Increase (decrease) in accounts payable	-	79	79
Increase (decrease) in accrued payroll	-	21,832	21,832
Total adjustments	<u>-</u>	<u>(5,346)</u>	<u>(5,346)</u>
Net cash (used) by operating activities	<u><u>-</u></u>	<u><u>(46,215)</u></u>	<u><u>(46,215)</u></u>

The notes to the financial statements are an integral part of this statement.

Clear Creek School District RE-1

Notes to the Financial Statements



**Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023**

I. Summary of Significant Accounting Policies

Clear Creek School District RE-1 (the "District") is a public school district within Clear Creek County, Colorado. The District provides academic and vocational curriculum, student transportation, food service, athletic and cultural extracurricular activities, maintenance and general administrative services. The District is located in Idaho Springs, Colorado, and operates the following schools:

<u>Elementary School</u>	<u>Middle School</u>	<u>High School</u>
King-Murphy Elementary Carlson Elementary	Clear Creek Middle School	Clear Creek High School

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District and its component units, entities for which the District is considered financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint the voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the above criteria, the District is financially responsible for funding the Georgetown Community School. The Georgetown Community School is a charter school governed by the Colorado Revised Statutes, and is financed by a portion of the District's School Finance Act Revenues (based on enrollment), state and federal grants, as well as other revenues generated by the Georgetown Community School. Separately issued financial statements are available from the Georgetown Community School. The Georgetown Community School is a discretely presented component unit to the District because of their financial relationship with the District.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

B. District-wide and Fund Financial Statements

The District's basic financial statements include both District-wide (financial activities of the overall District, except for fiduciary activities) and fund financial statements (reporting the District's major and non-major funds). The District-wide financial statements categorize primary activities as governmental. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

1. District-wide Financial Statements

In the District-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The District-wide Statement of Activities reports both the gross and net cost of the District's governmental functions. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs, by function, are normally covered by general revenues.

The District-wide focus is on the sustainability of the District as an entity and the change in the District's Net Position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund.

The District reports the following major governmental funds:

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

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District reports the following major special revenue funds:

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

Special Revenue Funds (continued)

The *Food Service Fund* accounts for the provision of food to District Students.

The *Grant Fund* - accounts for all federal, state, and local grants which are restricted as to the type of expenditures for which they may be used.

The *Pupil Activity Fund* - accounts for District sponsored activities for students. Each year, the School Board of the District commits funding by way of the budget approval process.

The *Debt Service Fund* accounts for transactions related to the District's general obligation bonds and interest.

The *Building Fund* – This capital projects fund accounts for resources available for acquiring capital sites, buildings, and equipment such as bond sale proceeds and grants.

The *Capital Reserve Fund* accounts for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

The District reports the following major proprietary funds:

The *Sewer Treatment Fund* accounts for the maintenance and operation of the sewer treatment plant at the High School. The District closed the fund for the fiscal year ended June 30, 2022 and transferred the fund's assets to the governmental activities.

The *Tuition Preschool Fund* accounts for preschool tuition revenue and preschool instruction expenditures.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis (continued)

The governmental activities in the government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

2. Current Financial Focus and Modified Accrual Basis

The District's governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

3. Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the acquisition date.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments

Investments are stated at fair value or net amortized cost. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- FDIC-Insured Certificates of Deposit
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable on the fund financial statements.

4. Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. Donated commodities inventories are offset by unearned revenue. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to/from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and fiduciary activities are reported as “internal balances” in the district-wide financial statements

6. Capital Assets

Capital assets, which include land, land improvements, construction in progress, buildings and improvements, equipment, and vehicles, are reported in the governmental activity column in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Buildings and improvements, equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	5 to 40 years
Vehicles and Equipment	3 to 20 years

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Compensated Absences

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it, which is the General Fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the District-wide financial statements. No liability is recorded for non-vesting accumulating rights.

After the completion of twenty years of full-time service, staff members are eligible for voluntary early retirement. Staff members are entitled to a percentage of their salary as determined from their highest salary during employment with the District. The estimated liability for all employees participating in voluntary early retirement is recorded in governmental activities in the Statement of Net Position, as a component of compensated absences.

8. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow if resources (expense/expenditures) until then. The District has two items, pension, and other post-employment benefits (“OPEB”) related deferred outflows, which qualify for reporting under this category on the Statement of Net Position.

Deferred inflows of resources represent an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, pension and OPEB related deferred inflows, reported in the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

See Note III.F and Note III.G below for discussion on pension and OPEB, respectively, related deferred outflows and inflows.

9. Long-term Debt

In the district-wide financial statements, long-term debt is reported as liabilities in the governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount and deferred refunding costs. Bond premiums, discounts, and deferred refunding costs are amortized over the life of the bonds based on interest payments.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Long-term Debt (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

10. Pensions

The District participates in the School Division Trust Fund ("SCHDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position 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.

11. Post-Employment Benefits

The District participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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.

12. Fund Balance and Fund Classifications

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Fund Balance and Fund Classifications (continued)

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Education. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Education platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board of Education via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after the Board of Education approval, must be presented via a public process and again approval by the Board of Education.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to the Board of Education.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers

14. Use of Estimates

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

15. Credit Risk

The receivables of the various funds of the District are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

16. Restricted and Unrestricted Resources

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

II. Reconciliation of District-wide and Fund Financial Statements

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the District-wide Statement of Net Position. Additionally, the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the District-wide Statement of Activities.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

III. Stewardship, Compliance, and Accountability

A. Bond Trustee

Colorado state statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with Clear Creek County, Colorado in order to meet this requirement.

B. Budgetary Information

Budgets are adopted on a basis consistent with GAAP. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for fiscal year 2023:

1. The proposed budget was submitted to the Board of Education by May 31 of the year preceding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.
3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
4. The final budget was adopted prior to June 30, along with an appropriation resolution.

C. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment (continued)

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. The District has reserved \$267,203 of its June 30, 2023 fund balances for this purpose.

In 1999, the District’s electorate approved a referendum allowing the District to keep and spend any excess revenue received during the year ended June 30, 1999, and each subsequent year thereafter.

The District believes it is in compliance with the requirements of the TABOR Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District’s deposits are entirely covered by Federal Depository Insurance Corporation (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the District’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

The District is governed by the deposit and investment limitations of state law. At June 30, 2023, the District had the following cash and investments (including the custodial fund) with the following maturities:

<u>Type:</u>	<u>Standard & Poors Rating</u>	<u>Balance</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>One to Five Years</u>
<i>Deposits:</i>				
Checking accounts	Not rated	\$ 37,294,059	37,294,059	-
Savings accounts	Not rated	208,686	208,686	-
Cash with fiscal agent	Not rated	4,483,709	4,483,709	-
<i>Investments:</i>				
Investment pool	AAAm	11,228,571	11,228,571	-
		<u>\$ 53,215,025</u>	<u>53,215,025</u>	<u>-</u>

The District has the following recurring fair value measurements:

<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
Csafe	<u>\$ 11,228,571</u>

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Pools. At June 30, 2023, the District was invested in C-Safe, an investment vehicle established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The School has no regulatory oversight for the pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

Interest Rate Risk. The District limits investments maturities as required by state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes require the District to limit maturities to five years from the date of purchase. Maturities of investments held at June 30, 2023 are provided in the previous schedule. The District coordinates its investment maturities to closely match cash flow needs.

Credit Risk. State law specify instruments in which local governments may invest, including obligations of the United States, certain U.S. governmental agency securities, local government investment pools, and commercial paper, among other items. The District's general investment policy is to invest surplus funds in accordance with state law, to ensure the preservation of capital, to ensure that adequate funds are available at all times to meet the financial obligations of the District when due, and to realize rates of return on invested funds which are comparable to market levels.

Custodial Credit Risk. For an investment, this is the risk that, in the event of failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District does not have an investment policy that limits the amount of securities that can be held by counterparties.

Restricted Cash. The District has \$36,415,190 of restricted cash at June 30, 2023 that is to be used for the purpose of improving and repairing existing District grounds and facilities and for other capital outlay expenditures approved by voters in the November 2, 2021 election.

Concentration of Credit Risk. The District places no limit on the amount that it may invest in any one issuer. The District's investments in C-Safe represented 100% of the District's total investments.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables and Unavailable Revenue

Receivables as of year-end for the District's major funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Food Service Fund	Grant Fund	Debt Service Fund	Capital Reserve Fund	Total Government Funds
Receivables:						
Taxes	\$ 191,411	-	-	73,706	-	265,117
Accounts	378,181	-	56,171	-	-	434,352
Other	-	19,566	-	-	-	19,566
Intergovernmental	73,719	-	178,985	-	165,972	418,676
Gross receivables	<u>643,311</u>	<u>19,566</u>	<u>235,156</u>	<u>73,706</u>	<u>165,972</u>	<u>1,137,711</u>
Less: allowance for uncollectible	-	-	-	-	-	-
Net Receivables	<u>\$ 643,311</u>	<u>19,566</u>	<u>235,156</u>	<u>73,706</u>	<u>165,972</u>	<u>1,137,711</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

C. Capital Assets

Capital asset activity for the District's governmental activities for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 868,734	-	-	868,734
Construction in progress	1,037,546	6,950,528	-	7,988,074
Total capital assets, not being depreciated	<u>1,906,280</u>	<u>6,950,528</u>	<u>-</u>	<u>8,856,808</u>
Capital assets, being depreciated:				
Buildings and improvements	40,773,396	10,884	-	40,784,280
Vehicles and equipment	2,994,354	103,197	(11,250)	3,086,301
Total capital assets being depreciated	<u>43,767,750</u>	<u>114,081</u>	<u>(11,250)</u>	<u>43,870,581</u>
Total capital assets - Cost	<u>45,674,030</u>	<u>7,064,609</u>	<u>(11,250)</u>	<u>52,727,389</u>
Less accumulated depreciation for:				
Buildings and improvements	(24,862,349)	(102,212)	-	(24,964,561)
Vehicles and equipment	(2,401,521)	(1,165,132)	11,250	(3,555,403)
Total accumulated depreciation	<u>(27,263,870)</u>	<u>(1,267,344)</u>	<u>11,250</u>	<u>(28,519,964)</u>
Governmental activities capital assets, net	<u>\$ 18,410,160</u>	<u>5,797,265</u>	<u>-</u>	<u>24,207,425</u>

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The District had the following capital outlay and depreciation expense for the following functions/programs:

	Capital Outlay	Depreciation Expense
Governmental activities:		
Direct instruction	\$ 2,770,264	9,114
Indirect instruction	1,132,608	-
General administration	497,993	-
Support services	693,627	43,263
Custodial and maintenance	1,413,535	1,214,967
Transportation	381,573	-
Food service	175,009	-
Total - governmental activities	\$ 7,064,609	1,267,344

There was no capital asset activity for the District's business-type activities for the year ended June 30, 2023.

Discretely presented component unit:

	Beginning	Increases	Decreases	Ending
Georgetown Community School:				
Capital assets, being depreciated:				
Improvements and equipment	\$ 138,939	11,750	-	150,68
Total capital assets, being depreciated	138,939	11,750	-	150,68
Less accumulated depreciation for:				
Improvements and equipment	(39,339)	(9,279)	-	(48,61)
Total accumulated depreciation	(39,339)	(9,279)	-	(48,61)
Total Capital Assets, Net	\$ 99,600	2,471	-	102,07

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

The District has reported the following interfund balance as of June 30, 2023:

	Receivable Fund	Payable Fund
General Fund	\$ -	2,697,584
Grant Fund	24,633	-
Debt Service Fund	1,484	-
Building Fund	-	2,014
Capital Reserve Fund	2,580,218	-
Food Services Fund	-	1,887
Tuition Preschool Fund	95,150	-
	\$ 2,701,485	2,701,485

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) provide additional resources for current operations or debt service.

All District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Transfers for fiscal year 2023 were as follows:

Fund	Transfer In	Transfer (out)
General Fund	\$ -	\$ (800,000)
Capital Reserve	800,000	-
Total	\$ 800,000	(800,000)

E. Long-term Debt – Governmental Activities

1. General Obligation Refunding Bonds, Series 2019

In November 2019, the District issued General Obligation Bonds, Series 2019 in the amount of \$5,000,000. Proceeds from the bonds will used be for the purpose of improving and repairing existing District grounds and facilities and for other capital outlay expenditures approved by voters in the November 6, 2018 election. The bonds are due in annual installments starting on December 1, 2020 through December 1, 2024. These bonds bear interest at a rate of 2.00% which is payable on June 1 and December 1.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt – Governmental Activities (continued)

2. General Obligation Bonds, Series 2022

In February 2022, the District issued General Obligation Bonds, Series 2022 in the amount of \$33,000,000. Proceeds from the bonds will used be for the purpose of improving and repairing existing District grounds and facilities and for other capital outlay expenditures approved by voters in the November 2, 2021 election. The bonds are due in annual installments starting on December 1, 2025 through December 1, 2046. These bonds bear interest at a rate of 4.00-5.00% which is payable on June 1 and December 1.

3. Lease Purchase Agreement

In June 2022, the District entered into a lease purchase agreement with Signature Public Funding Corp in the amount of \$3,861,500. Proceeds from the bonds will used be for the purpose of building a new bus barn. Lease payments are due in semi-annual installments starting on December 1, 2022 through December 1, 2037. These bonds bear interest at a rate of 3.08% which is payable on June 1 and December 1.

4. Schedule of Future Payments

The District's future annual debt service requirements for general obligation bonds and lease purchase agreements at June 30, 2023, are as follows:

Fiscal Year Ending:	Principal	Interest	Total
2024	\$ 1,242,958	\$ 1,597,939	\$ 2,840,897
2025	1,279,412	1,554,835	2,834,247
2026	1,116,061	1,504,735	2,620,796
2027	1,167,912	1,452,259	2,620,171
2028	1,219,971	1,397,326	2,617,297
2029-2033	7,013,454	6,066,030	13,079,484
2034-2038	8,426,456	4,312,105	12,738,561
2039-2043	8,835,000	2,598,500	11,433,500
2044-2047	8,435,000	23,492,800	31,927,800
	<u>\$ 38,736,224</u>	<u>\$ 43,976,529</u>	<u>\$ 82,712,753</u>

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt – Governmental Activities (continued)

5. Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	(Reductions)	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
2019 General obligation bonds	3,090,000	-	(1,000,000)	2,090,000	1,030,000
2019 Premium on general obligation bonds	148,652	-	(49,551)	99,101	-
2022 General obligation bonds	33,000,000	-	-	33,000,000	-
2022 Premium on general obligation bonds	6,874,039	-	(280,573)	6,593,466	-
2022 Lease purchase	3,861,500	-	(215,276)	3,646,224	212,958
Compensated absences	756,013	324,656	(119,440)	961,229	119,378
Net OPEB liability	512,425	-	(21,107)	491,318	-
Net pension liability	10,591,340	3,833,028	-	14,424,368	-
Total Governmental Activities	58,833,969	4,157,684	(1,685,947)	61,305,706	1,362,336

For governmental activities, compensated absences and pension liabilities are liquidated by the General Fund.

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent 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 percent 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 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

Contribution provisions as of June 30, 2023: Eligible employees, 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. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,152,805 for the year ended June 30, 2023.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

At June 30, 2023, the District reported a liability of \$14,424,368 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:

The District's proportionate share of the net pension liability	\$ 14,424,368
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	3,254,896
Total	\$ 17,679,264

At December 31, 2022, the District's proportion was 0.0792%, as compared to its proportion of 0.0910% measured as of December 31, 2021.

Pension Expense: For the year ended June 30, 2023, the District recognized pension credit of \$299,284 and revenue (expense) of \$494,295 for support from the State as a nonemployer contributing entity.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2023, 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	\$ 136,511	-
Changes of assumptions or other inputs	255,503	-
Net difference between projected and actual earnings on pension plan investments	1,937,724	-
Changes in proportionate share of contributions	1,053,516	2,339,996
Contributions subsequent to the measurement date	664,137	-
Total	\$ 4,047,391	2,339,996

\$664,137 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (516,210)
2025	(97,025)
2026	529,403
2027	1,127,090
Total	\$ 1,043,258

**Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)**

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.40 - 11.00 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.00 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve ("AIR")

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

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

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

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

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

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.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Sensitivity of the 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 1-percentage-point lower (6.25%) or 1-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	\$ 18,876,536	\$ 14,424,368	\$ 10,706,352

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

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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 C.R.S., as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 DPS Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund ("DPS HCTF"). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

Enrollment in the PERACare 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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 basis for the maximum 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. For the year ended June 30, 2023, the District's contributions to HCTF were approximately \$75,735 .

Liabilities: At June 30, 2023, the District reported a liability for OPEB of \$491,318 for its proportionate share of net OPEB. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the HCTF. for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.0602%, as compared to its proportion of 0.0594% measured as of December 31, 2021.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the District recognized OPEB credit of \$79,262. At June 30, 2023, 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 expenses and actual experience	\$ 64	118,817
Change of assumptions or other inputs	7,897	54,226
Net difference between projected and actual earnings on plan investments	30,009	-
Changes in proportionate share of contributions	19,727	52,721
Contributions subsequent to measurement date	33,239	-
	\$ 90,936	225,764

\$30,583 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction of the net OPEB benefits liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2024	\$	(59,903)
2025		(56,916)
2026		(25,988)
2027		(7,843)
2028		(15,510)
Thereafter		(1,907)
Total	\$	(168,067)

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.5% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Age-Related Morbidity Assumptions

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

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

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

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial Assumptions (continued) Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2021 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate Share of Net OPEB Liability	\$ 477,411	\$ 491,318	\$ 506,449

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, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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.
- 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 projection test indicates the HCTF's fiduciary net position 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 569,583	\$ 491,318	\$ 424,376

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained www.copera.org/investments/pera-financial-reports.

V. Other Information

A. Defined Contribution Pension Plan

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 comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

V. Other Information (continued)

A. Defined Contribution Pension Plan (continued)

Funding Policy – 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. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the years ended June 30, 2023.

B. Risk Management

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage. For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance coverage.

Pupil Counts. Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students' funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits. The District believes its pupil count information is accurate and any adjustment would not be material.

C. Contingencies

1. Legal Claims

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2023.

Clear Creek School District RE-1
Notes to the Financial Statements
June 30, 2023
(Continued)

V. Other Information (continued)

C. Contingencies (continued)

2. Federal Programs

Funds received from Federal grants are subject to audit and disallowance of ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2023.

3. State Programs

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. These adjustments can be material. The amount of these adjustments cannot be estimated or determined as of the date of these financial statements.

D. Mt. Evans Colorado Board of Cooperative Educational Services

The District is an association member, together with other school districts, participating in certain programs of the Mt Evans Board of Cooperative Educational Services (the "BOCES"). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. The District provides its own administrative services and does not bear administrative costs borne equally by fully participating districts as it is not a full member. The District pays for services provided by BOCES charged to each district based upon individual needs and the student population.

The BOCES has issued its own audited financial statements for the year ended June 30, 2022, the latest available data. The following summary information is presented:

Assets	\$	685,191
Deferred Outflows of Resources		415,963
Liabilities		1,700,748
Deferred Inflows of Resources		625,656
Net Position		<u>\$ (1,225,250)</u>
Expenses	\$	(1,630,753)
Program Revenues		2,216,653
General Revenues		160
Change in Net Position		<u>586,060</u>
Net Position - Beginning		<u>(1,811,310)</u>
Net Position - Ending		<u>\$ (1,225,250)</u>

For the year ended June 30, 2023 and 2022, the District made operating contributions of \$228,211 and \$217,772 respectively.

Clear Creek School District RE-1
Required Supplementary Information



Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balances
Assets - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources:					
Property taxes levied for general purposes	5,374,999	5,374,999	5,449,568	74,569	5,696,048
Specific ownership taxes	619,316	619,316	719,844	100,528	675,021
Charter school services	178,000	178,000	156,426	(21,574)	167,370
Charges and fees	12,000	12,000	13,521	1,521	3,342
Investment income	3,000	3,000	317,424	314,424	20,134
Other	66,000	66,000	122,727	56,727	171,536
Total Local Sources	<u>6,253,315</u>	<u>6,253,315</u>	<u>6,779,510</u>	<u>526,195</u>	<u>6,733,451</u>
Federal sources	224,000	224,000	642,949	418,949	375,101
State sources:					
Equalization	2,622,697	2,622,697	2,719,545	96,848	2,133,738
Other	808,881	808,881	595,864	(213,017)	673,988
Total State Sources	<u>3,431,578</u>	<u>3,431,578</u>	<u>3,315,409</u>	<u>(116,169)</u>	<u>2,807,726</u>
Total Revenues	<u>9,908,893</u>	<u>9,908,893</u>	<u>10,737,868</u>	<u>828,975</u>	<u>9,916,278</u>
Expenditures:					
Direct instruction	4,321,216	4,321,216	4,425,490	(104,274)	4,186,105
Indirect instruction	1,591,169	1,591,169	1,590,993	176	1,345,821
General administration	1,252,960	1,252,960	1,276,547	(23,587)	1,325,612
Support services	793,772	793,772	727,472	66,300	586,314
Custodial and maintenance	1,387,155	1,387,155	1,452,677	(65,522)	1,460,998
Transportation	958,050	958,050	702,822	255,228	741,063
Community service	900	900	1,074	(174)	1,208
Food service	1,000	1,000	-	1,000	-
Contingency reserve	5,469,649	5,469,649	-	5,469,649	-
Capital outlay	-	-	-	-	11,899
Debt service:					
Principal	211,800	211,800	215,276	(3,476)	-
Interest and fiscal charges	110,500	110,500	105,771	4,729	-
Total Expenditures	<u>16,098,171</u>	<u>16,098,171</u>	<u>10,498,122</u>	<u>5,600,049</u>	<u>9,659,020</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,189,278)</u>	<u>(6,189,278)</u>	<u>239,746</u>	<u>6,429,024</u>	<u>257,258</u>
Other Financing Sources (Uses)					
Transfers (out)	<u>(920,000)</u>	<u>(920,000)</u>	<u>(800,000)</u>	<u>120,000</u>	<u>(414,023)</u>
Total Other Financing Sources (Uses)	<u>(920,000)</u>	<u>(920,000)</u>	<u>(800,000)</u>	<u>120,000</u>	<u>(414,023)</u>
Net Change in Fund Balance	<u>(7,109,278)</u>	<u>(7,109,278)</u>	<u>(560,254)</u>	<u>6,549,024</u>	<u>(156,765)</u>
Fund Balance - Beginning of Year	<u>7,080,278</u>	<u>7,080,278</u>	<u>7,793,763</u>	<u>713,485</u>	<u>7,950,528</u>
Fund Balance - End of Year	<u>(29,000)</u>	<u>(29,000)</u>	<u>7,233,509</u>	<u>7,262,509</u>	<u>7,793,763</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Pension direct distribution - Special funding			358,442		129,627
Pension expense - Special funding			(358,442)		(129,627)
Fund Balance - End of Year - GAAP Basis			<u>7,233,509</u>		<u>7,793,763</u>

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

Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Net Position
Assets - Budget and Actual (GAAP Basis)
Food Service Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources:					
Food and ala carte sales	124,000	124,000	139,678	15,678	42,868
Other	500	500	-	(500)	382
Federal sources	246,000	246,000	111,781	(134,219)	269,171
State sources	4,250	4,250	5,417	1,167	1,627
Total Revenues	374,750	374,750	256,876	(117,874)	314,048
Expenditures:					
Food service	648,250	648,250	334,142	314,108	338,934
Total Expenditures	648,250	648,250	334,142	314,108	338,934
Excess (Deficiency) of Revenues Over Expenditures	(273,500)	(273,500)	(77,266)	196,234	(24,886)
Other Financing Sources (Uses):					
Transfers in	120,000	120,000	-	(120,000)	120,000
Total Other Financing Sources (Uses)	120,000	120,000	-	(120,000)	120,000
Net Change in Fund Balance	(153,500)	(153,500)	(77,266)	76,234	95,114
Fund Balance - Beginning of Year	153,500	153,500	147,797	(5,703)	52,683
Fund Balance - End of Year	-	-	70,531	70,531	147,797

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

Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Net Position
Assets - Budget and Actual (GAAP Basis)
Grant Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources:					
Other	9,600	9,600	7,212	(2,388)	14,788
Federal sources	1,533,515	1,533,515	1,324,031	(209,484)	1,298,668
State sources	4,630,933	4,630,933	124,810	(4,506,123)	328,778
Total Revenues	<u>6,174,048</u>	<u>6,174,048</u>	<u>1,456,053</u>	<u>(4,717,995)</u>	<u>1,642,234</u>
Expenditures:					
Direct instruction	846,995	846,995	818,104	28,891	825,988
Indirect instruction	699,961	699,961	497,475	202,486	358,172
General administration	-	-	8,176	(8,176)	22,727
Support services	126,000	126,000	75,176	50,824	100,588
Custodial and maintenance	-	-	23,983	(23,983)	48,310
Transportation	-	-	30,300	(30,300)	109,228
Capital outlay	4,498,253	4,498,253	-	4,498,253	151,550
Food service	2,839	2,839	2,839	-	25,671
Total Expenditures	<u>6,174,048</u>	<u>6,174,048</u>	<u>1,456,053</u>	<u>4,717,995</u>	<u>1,642,234</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Net Position
Assets - Budget and Actual (GAAP Basis)
Pupil Activity Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Revenues:					
Student Activities	375,000	375,000	345,661	(29,339)	289,966
Total Revenues	<u>375,000</u>	<u>375,000</u>	<u>345,661</u>	<u>(29,339)</u>	<u>289,966</u>
Expenditures:					
Student Activities	925,959	925,959	309,525	616,434	247,180
Total Expenditures	<u>925,959</u>	<u>925,959</u>	<u>309,525</u>	<u>616,434</u>	<u>247,180</u>
Net Change in Fund Balance	(550,959)	(550,959)	36,136	587,095	42,786
Fund Balance - Beginning of Year	<u>258,301</u>	<u>258,301</u>	<u>323,888</u>	<u>65,587</u>	<u>281,102</u>
Fund Balance - End of Year	<u><u>(292,658)</u></u>	<u><u>(292,658)</u></u>	<u><u>360,024</u></u>	<u><u>652,682</u></u>	<u><u>323,888</u></u>

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

Clear Creek School District RE-1
Schedule of District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

For the year-ended at the measurement date December 31,	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.0792%	0.0910%	0.1061%	0.0954%	0.9921%
District's proportionate share of the net pension liability	14,424,368	10,591,340	16,046,727	14,248,734	16,315,792
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	3,254,896	1,089,289	-	2,289,091	2,230,958
Total proportionate share of the net pension liability associated with the District	<u>17,679,264</u>	<u>11,680,629</u>	<u>16,046,727</u>	<u>16,537,825</u>	<u>18,546,750</u>
District's covered payroll	6,178,311	5,688,068	5,679,859	5,605,346	5,065,598
District's proportionate share of the net pension liability as a percentage of its covered payroll	233%	186%	283%	295%	366%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.07%	62.80%
For the year-ended at the measurement date December 31,	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.1124%	0.1202%	0.1202%	0.1216%	0.1301%
District's proportionate share of the net pension liability	36,357,340	35,426,858	18,383,305	16,483,928	16,592,399
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>36,357,340</u>	<u>35,426,858</u>	<u>18,383,305</u>	<u>16,483,928</u>	<u>16,592,399</u>
District's covered payroll	5,189,072	5,340,321	5,238,164	5,225,935	5,206,851
District's proportionate share of the net pension liability as a percentage of its covered payroll	701%	663%	351%	315%	319%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	43.10%	43.96%	57.01%	64.52%

The accompanying notes to required supplementary information are an integral part of these statements.

Clear Creek School District RE-1
Schedule of District's Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

Fiscal year-ended June 30,	2023	2022	2021	2020	2019
Contractually required contribution	1,315,590	1,152,805	1,115,031	1,109,273	1,018,187
Contributions in relation to the contractually required contribution	<u>(1,315,590)</u>	<u>(1,152,805)</u>	<u>(1,115,031)</u>	<u>(1,109,273)</u>	<u>(1,018,187)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	6,455,299	5,779,432	5,608,804	5,723,798	5,322,461
Contributions as a percentage of covered payroll	20.38%	19.95%	19.88%	19.38%	19.13%
Fiscal year-ended June 30,	2018	2017	2016	2015	2014
Contractually required contribution	968,596	954,630	996,366	942,152	888,053
Contributions in relation to the contractually required contribution	<u>(968,596)</u>	<u>(954,630)</u>	<u>(996,366)</u>	<u>(942,152)</u>	<u>(888,053)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	5,130,065	5,192,894	5,039,044	5,259,614	5,220,582
Contributions as a percentage of covered payroll	18.88%	18.38%	19.77%	17.91%	17.01%

The accompanying notes to required supplementary information are an integral part of these statements.

Clear Creek School District RE-1
Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.0602%	0.0594%	0.0614%	0.0623%	0.0599%
District's proportionate share of the net OPEB liability	491,318	512,425	583,635	700,700	814,876
District's covered payroll	6,178,311	5,688,068	5,679,859	5,605,346	5,065,598
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.95%	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%
For the year-ended at the measurement date of December 31,	2017	2016			
District's proportion of the net OPEB liability	0.0639%	0.0676%			
District's proportionate share of the net OPEB liability	830,248	876,884			
District's covered payroll	5,189,072	5,340,321			
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.00%	16.42%			
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.70%			

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

Clear Creek School District RE-1
Schedule of District's Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	65,844	59,148	57,210	58,383	54,289
Contributions in relation to the contractually required contribution	<u>(65,844)</u>	<u>(59,148)</u>	<u>(57,210)</u>	<u>(58,383)</u>	<u>(54,289)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	6,455,299	5,779,432	5,608,804	5,723,798	5,322,461
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
Fiscal year-ended June 30,	<u>2018</u>	<u>2017</u>			
Contractually required contribution	52,327	52,968			
Contributions in relation to the contractually required contribution	<u>(52,327)</u>	<u>(52,968)</u>			
Contribution deficiency (excess)	<u>-</u>	<u>-</u>			
District's covered payroll	5,130,065	5,192,894			
Contributions as a percentage of covered payroll	1.02%	1.02%			

* Information is only available beginning in fiscal year 2017.

The accompanying notes to required supplementary information are an integral part of these statements.

Clear Creek School District RE-1
Notes to Required Supplementary Information
June 30, 2023

I. Schedule of School's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2021 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

2. Changes since the December 31, 2020 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

3. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

4. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

5. Changes since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

Clear Creek School District RE-1
Notes to Required Supplementary Information
June 30, 2023
(Continued)

I. Schedule of School's Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

6. Changes since the December 31, 2016 actuarial valuation:

- The SEIR was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

7. Changes Since the December 31, 2015 Actuarial Valuation:

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School ("DPS") Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the School Division Trust Fund was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

8. Changes Since the December 31, 2014 Actuarial Valuation:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Clear Creek School District RE-1
Notes to Required Supplementary Information
June 30, 2023
(Continued)

I. Schedule of School's Proportionate Share of the Net Pension Liability (continued)

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

II. Notes to the Schedule of School Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

III. Schedule of School's Proportionate Share of the OPEB Liability

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

C. Changes of size or composition of population covered by terms

No changes during the years presented.

IV. Notes to the Schedule of School OPEB Contributions

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2021 actuarial valuation:

- The timing of the retirement decrement was adjusted to middle-of-year.

2. Changes since the December 31, 2020 actuarial valuation:

- There were no change made to the actuarial methods or assumptions.

3. Changes since the December 31, 2019 actuarial valuation:

Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.3 above.

Clear Creek School District RE-1
Notes to Required Supplementary Information
June 30, 2023
(Continued)

IV. Notes to the Schedule of School OPEB Contributions (continued)

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

Clear Creek School District RE-1

Supplementary Information



Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Debt Service Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources:					
Property taxes levied for general purposes	2,523,500	2,523,500	2,556,344	32,844	2,436,282
Investment income	100	100	33,213	33,113	2,478
Total Local Sources	<u>2,523,600</u>	<u>2,523,600</u>	<u>2,589,557</u>	<u>65,957</u>	<u>2,438,760</u>
Total Revenues	<u>2,523,600</u>	<u>2,523,600</u>	<u>2,589,557</u>	<u>65,957</u>	<u>2,438,760</u>
Expenditures:					
Debt service:					
Principal	1,000,000	1,000,000	1,000,000	-	970,000
Interest and fiscal charges	2,208,343	2,208,343	1,521,100	687,243	595,583
Total Expenditures	<u>3,208,343</u>	<u>3,208,343</u>	<u>2,521,100</u>	<u>687,243</u>	<u>1,565,583</u>
Excess (Deficiency) of Revenues Over Expenditures	(684,743)	(684,743)	68,457	753,200	873,177
Fund Balance - Beginning of Year	<u>684,743</u>	<u>684,743</u>	<u>1,980,124</u>	<u>1,295,381</u>	<u>1,106,947</u>
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>2,048,581</u>	<u>2,048,581</u>	<u>1,980,124</u>

The accompanying notes are integral part of these financial statements.

Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Capital Reserve Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
State sources	-	-	202,353	202,353	-
Total Revenues	-	-	202,353	202,353	-
Expenditures:					
Buildings and improvements	6,319,416	6,319,416	689,101	5,630,315	-
Vehicles	120,000	120,000	65,734	54,266	-
Other	580,000	580,000	486,615	93,385	282,370
Interest and fiscal charges	61,500	61,500	-	61,500	-
Contingency	8,455	8,455	-	8,455	-
Total Expenditures	7,089,371	7,089,371	1,241,450	5,847,921	282,370
Excess (Deficiency) of Revenues Over Expenditures	(7,089,371)	(7,089,371)	(1,039,097)	6,050,274	(282,370)
Other Financing Sources (Uses)					
Lease purchase proceeds	3,861,500	3,861,500	-	(3,861,500)	3,861,500
Sale of capital assets	-	-	13,000	13,000	2,367,306
Transfers in (out)	800,000	800,000	800,000	-	270,000
Total Other Financing Sources (Uses)	4,661,500	4,661,500	813,000	(3,848,500)	6,498,806
Net Change in Fund Balance	(2,427,871)	(2,427,871)	(226,097)	2,201,774	6,216,436
Fund Balance - Beginning of Year	2,427,871	2,427,871	6,291,574	3,863,703	75,138
Fund Balance - End of Year	-	-	6,065,477	6,065,477	6,291,574

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

Clear Creek School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Building Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources:					
Investment income	20,000	20,000	1,507,627	1,487,627	88,220
Other	50,000	50,000	-	(50,000)	11,025
Total local sources	<u>70,000</u>	<u>70,000</u>	<u>1,507,627</u>	<u>1,437,627</u>	<u>99,245</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>1,507,627</u>	<u>1,437,627</u>	<u>99,245</u>
Expenditures:					
Land and improvements	-	-	-	-	396,592
Buildings and improvements	34,892,060	34,892,060	5,986,957	28,905,103	873,815
Equipment	-	-	379	(379)	37,859
Interest and fiscal charges	-	-	-	-	262,880
Total Expenditures	<u>34,892,060</u>	<u>34,892,060</u>	<u>5,987,336</u>	<u>28,904,724</u>	<u>1,571,146</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,822,060)	(34,822,060)	(4,479,709)	30,342,351	(1,471,901)
Other Financing Sources (Uses)					
Bond proceeds	-	-	-	-	33,000,000
Bond premium	-	-	-	-	7,014,326
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,014,326</u>
Net Change in Fund Balance	(34,822,060)	(34,822,060)	(4,479,709)	30,342,351	38,542,425
Fund Balance - Beginning of Year	<u>34,822,060</u>	<u>34,822,060</u>	<u>39,128,097</u>	<u>4,306,037</u>	<u>585,672</u>
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>34,648,388</u>	<u>34,648,388</u>	<u>39,128,097</u>

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

Clear Creek School District RE-1
Schedule of Revenues, Expenses and Changes in Net
Position - Budget and Actual (GAAP Basis)
Sewer Treatment Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Operating Revenues:					
Service charges	50,000	50,000	-	(50,000)	-
Total Operating Revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Operating Expenses:					
Purchased services	1,086,433	1,086,433	-	1,086,433	-
Supplies and materials	32,850	32,850	-	32,850	-
Total Operating Expenses	<u>1,119,283</u>	<u>1,119,283</u>	<u>-</u>	<u>1,119,283</u>	<u>-</u>
Income (Loss) From Operations	(1,069,283)	(1,069,283)	-	1,069,283	-
Non Operating Revenues (Expenses)					
Transfers in (out)	-	-	-	-	(1,090,943)
Total Non Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,090,943)</u>
Change in Net Position	(1,069,283)	(1,069,283)	-	1,069,283	(1,090,943)
Net Position - Beginning of Year	<u>1,069,283</u>	<u>1,069,283</u>	<u>-</u>	<u>(1,069,283)</u>	<u>1,090,943</u>
Net Position - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Clear Creek School District RE-1
Schedule of Revenues, Expenses and Changes in Net Position
Assets - Budget and Actual (GAAP Basis)
Tuition Preschool Fund
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Operating Revenues:					
Local sources:					
Tuition	103,200	103,200	201,782	98,582	79,443
Federal sources	69,142	69,142	46,215	(22,927)	-
Total Revenues	<u>172,342</u>	<u>172,342</u>	<u>247,997</u>	<u>75,655</u>	<u>79,443</u>
Operating Expenses:					
Salaries	117,190	117,190	171,646	(54,456)	52,727
Benefits	27,308	27,308	42,161	(14,853)	17,296
Supplies and materials	1,850	1,850	10,113	(8,263)	422
Other	90,674	90,674	18,731	71,943	2,083
Total Operating Expenses	<u>237,022</u>	<u>237,022</u>	<u>242,651</u>	<u>(5,629)</u>	<u>72,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(64,680)</u>	<u>(64,680)</u>	<u>5,346</u>	<u>70,026</u>	<u>6,915</u>
Net Position - Beginning of Year	<u>64,680</u>	<u>64,680</u>	<u>63,333</u>	<u>(1,347)</u>	<u>56,418</u>
Net Position - End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>68,679</u></u>	<u><u>68,679</u></u>	<u><u>63,333</u></u>

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



Colorado Department of Education

Auditors Integrity Report

District: 0540 - Clear Creek RE-1

Fiscal Year 2022-23

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	7,793,763	10,201,985	10,762,240	7,233,509
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	94,324	94,324	0
Sub- Total	7,793,763	10,296,309	10,856,564	7,233,509
11 Charter School Fund	806,944	1,562,589	1,562,024	807,509
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	147,796	256,876	334,142	70,530
22 Govt Designated-Purpose Grants Fund	0	1,459,540	1,459,540	0
23 Pupil Activity Special Revenue Fund	323,888	345,661	309,525	360,024
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,980,123	2,589,558	2,521,100	2,048,581
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	39,128,099	1,507,627	5,987,336	34,648,389
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	6,291,574	1,015,353	1,241,450	6,065,477
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	56,472,188	19,033,512	24,271,680	51,234,020
Proprietary				
50 Other Enterprise Funds	63,333	247,997	242,651	68,679
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	63,333	247,997	242,651	68,679
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

FINAL

Clear Creek School District RE-1

Statistical Information



Table II
History of District's Mill Levy

Levy/Collection Year	General Fund Mill Levy	Bond Fund Mill Levy	Mill Levy Override	Abatements	Total Mill Levy
2016/2017	12.481	3.799	3.542	0.016	19.838
2017/2018	12.481	4.045	3.966	0.000	20.492
2018/2019	12.481	4.233	4.646	-0.082	21.278
2019/2020	12.481	3.125	7.690	0.004	23.300
2020/2021*	12.481	3.106	7.902	0.052	23.541
2021/2022	12.485	7.263	8.070	0.026	27.844
2022/2023	12.485	8.23	8.854	0.034	29.603

*2021 Includes a temporary tax credit of 5.264

Table III
History of District's Assessed Valuation

Levy/Collection Year	Assessed Valuation	Percent Change
2016/2017	519,184,740	-
2017/2018	463,664,170	-10.69%
2018/2019	395,836,760	-14.63%
2019/2020	364,136,650	-8.01%
2020/2021	349,815,720	-3.93%
2021/2022	337,851,980	-3.42%
2022/2023	311,995,840	-7.65%

Table V
Property Tax Collections for the District¹

Levy/Collection		Current Tax	Collections as	Delinquent	Total Tax	Total
Year	Taxes Levied	Collections	a Percent of	Tax	Collections	Collections
			Taxes Levied	Collections		as a Percent
						of Taxes
						Levied
2016/2017	\$ 10,299,587	\$ 10,276,389	99.77%	\$ 190	\$ 10,276,579	99.78%
2017/2018	9,501,406	9,478,510	99.76%	1,212	9,479,722	99.77%
2018/2019	8,422,615	8,335,270	98.96%	5,891	8,341,161	99.03%
2019/2020	8,484,384	8,458,163	99.69%	11,757	8,469,920	99.83%
2020/2021	8,235,012	8,224,504	99.87%	2,053	8,226,557	99.90%
2021/2022	9,407,214	9,411,336	100.04%	281	9,411,617	100.05%

¹Treasurer's fees have not been deducted from these amounts.

Table VI
2023 Largest Taxpayers Within the District

All Active Accounts as of 12/31/2022 \$311,995,840

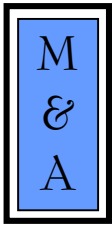
Owner Name	Assessed	Percent
CLIMAX MOLYBDENUM-HENDERSON OPERATIONS	\$62,691,680	20.09%
PUBLIC SERVICE CO OF COLO	\$28,708,540	9.20%
CLEAR CREEK SKIING CORP	\$7,298,450	2.34%
ALBERT FREI AND SONS INC	\$6,903,020	2.21%
NEW BIGHORN CROSSING I LLC	\$960,850	0.31%
PUBLIC SERVICE CO OF COLO	\$2,003,670	0.64%
FREI ALBERT & MARY JANE IRREVOCABLE TRUST	\$1,788,880	0.57%
IHS RE LLC	\$1,288,580	0.41%
VANDERWERKEN ANNE M & BRENT D REDSTONE	\$341,410	0.11%
CELLCO PARTNERSHIP	\$1,288,120	0.41%
Total	<u>\$113,273,200</u>	<u>36.31%</u>

Table VIII
District Enrollment

School Year	Enrollment¹	Percent Change Based Upon Total Enrollment
2016/2017	858	-
2017/2018	808	-5.83%
2018/2019	760	-5.94%
2019/2020	717	-5.66%
2020/2021	682	-4.88%
2021/2022	632	-7.33%
2022/2023	602	-4.75%

Clear Creek School District RE-1
Single Audit Reports and Schedules





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**To the Board of Education
Clear Creek School District RE-1
Idaho Springs, CO**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, discretely presented component unit, and each major fund of Clear Creek School District RE-1 (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated **November 1, 2023**.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion of the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

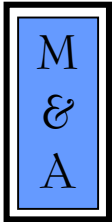
INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Clear Creek School District RE-1
Idaho Springs, CO

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
November 1, 2023



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCFA.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
Clear Creek School District RE-1
Idaho Springs, CO**

Report on Compliance for Each Major Program

We have audited the Clear Creek School District RE-1's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Clear Creek School District RE-1
Idaho Springs, CO

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Clear Creek School District RE-1
Idaho Springs, CO

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
November 1, 2023

**Clear Creek School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023**

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs –	
ESSER III 90% LEA Allocation	ALN 84.425U
ESSER II – Distribution 90%	ALN 84.425D
ESSER Fund – 10% Discretionary	ALN 84.425D
Education Stabilization Fund	ALN 84.425C
Seamless Summer Option - Breakfast	ALN 10.553
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	No
Compliance findings	No
Questioned costs	No
Auditor-assigned reference number	Not applicable

Clear Creek School District RE-1
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Department of Agriculture
National School Lunch Program (ALN 10.555)
Passed through Colorado Department of Education
Reference No. 2022-001 – *Questioned Costs*

Condition: The District submitted monthly meal counts for reimbursement that did not agree with system counts of meals served.

Recommendation: We noted that the finding was mitigated mid-year, when the District implemented new controls.

Current Status: The finding was mitigated.

**Clear Creek School District RE-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Project Code	Expenditures	
United States Department of Education				
Passed through State Department of Education:				
Title I, Part A	84.010	4010	115,168	
Title II, Part A Teacher and Principal Training and Recruiting	84.367	4367	23,849	
ESSER III 90% - LEA Allocation	84.425U	4414	316,236	
ESSER III ARPA 9.5% State Set-Aside, EASI	84.425U	4434	150,000	
GEER - Education Stabilization Fund - ESSER	84.425C	6425	12,547	
Passed through East Grand School District:				
ESSER III ARP 9.5% State Set-Aside, Rural Coaction	84.425U	4429	129,077	
Total ESSER Funds			<u>607,860</u>	
Twenty-First Century Community Learning Centers	84.287C	7287	223,859	
Total United States Department of Education			<u>970,736</u>	
National Endowment for the Humanities (NEH)				
State Library Program	45.310	7310	6,000	
Total National Endowment for the Humanities (NEH)			<u>6,000</u>	
United States Department of Health and Human Services				
Child Care Assistance Block Grant	93.575	7575	200,000	C
Total United States Department of Health and Human Services			<u>200,000</u>	
United States Department of Agriculture				
Passed Through Clear Creek County Treasurer:				
Schools and Roads - Grants to States	10.665	7665	634,385	B
Passed through Colorado Department of Human Services				
Food Distribution Commodities	10.555	4555	10,505	A
Passed through State Department of Education:				
School Breakfast Program	10.553	4553	12,520	A
National School Lunch Program	10.555	4555	63,464	A
Supply Chain Assistance	10.555	6555	24,664	A
Total National School Lunch Program			<u>88,128</u>	
National School Lunch Equipment Assistance	10.579	4579	2,839	A
SNAP CN Local Administrative	10.649	4649	628	
Total United States Department of Agriculture			<u>749,005</u>	
Total Federal Expenditures			<u>\$ 1,925,741</u>	
Additional Information for Clusters:				
A Child Nutrition Cluster	\$ 113,992			
B Forest Service Schools and Roads Cluster	634,385			
C Child Care and Development Fund Cluster	200,000			

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Clear Creek School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2. Basis of Determining the Value of Non-Cash Awards Expended:

Food Commodities: Fair market value of commodities at the time recipient received award and the assessed value provided by the federal agency.

Note 3. Sub recipients:

The District did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards received to sub recipients.

Note 4. Indirect Facilities and Administration Costs:

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR), Part 200.414 Indirect (F & A) costs.