

**Clear Creek School District RE-1**

**Financial Report**

**June 30, 2022**



**Clear Creek School District RE-1  
Financial Report  
June 30, 2022**

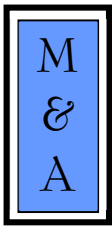
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## INDEPENDENT AUDITOR'S REPORT

**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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, and each major fund of the District as of June 30, 2022, 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*

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**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 October 26, 2022 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.  
Avon, Colorado  
October 26, 2022**

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, 2022. 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 2022:

- The District's General Fund balance at the end of fiscal year 2022 was \$7,793,838. This is a decrease from the prior year of \$156,690.
- The District's ending General Fund balance consists of 76% of the current year expenditures and transfers out of \$10,202,670.

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, 2022, the District's total net position was \$12,668,264. Of the District's liabilities were net pension liability of \$10,591,340 and net other post-employment benefits ("OPEB") liability of \$512,425. 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, 2020. Standard update procedures were used to roll forward the total pension and OPEB liabilities to December 31, 2021.

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, 2022.

#### Clear Creek School District RE-1's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and other assets	\$ 57,587,172	11,496,385	\$ 68,323	43,766	\$ 57,655,495	11,540,151
Capital assets, net	18,410,160	17,036,506	-	1,114,966	18,410,160	18,151,472
<b>Total Assets</b>	<b>75,997,332</b>	<b>28,532,891</b>	<b>68,323</b>	<b>1,158,732</b>	<b>76,065,655</b>	<b>29,691,623</b>
<b>Deferred outflow of resources</b>	<b>3,593,320</b>	<b>5,657,633</b>	<b>-</b>	<b>-</b>	<b>3,593,320</b>	<b>5,657,633</b>
<b>Liabilities:</b>						
Other liabilities	1,940,532	1,373,226	4,990	11,371	1,945,522	1,384,597
Long-term liabilities	58,833,969	21,620,498	-	-	58,833,969	21,620,498
<b>Total Liabilities</b>	<b>60,774,501</b>	<b>22,993,724</b>	<b>4,990</b>	<b>11,371</b>	<b>60,779,491</b>	<b>23,005,095</b>
<b>Deferred inflow of resources</b>	<b>6,211,220</b>	<b>8,071,194</b>	<b>-</b>	<b>-</b>	<b>6,211,220</b>	<b>8,071,194</b>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	11,150,442	12,778,303	-	1,114,966	11,150,442	13,893,269
Restricted	2,304,789	1,453,502	-	-	2,304,789	1,453,502
Unrestricted	(850,300)	(11,106,199)	63,333	32,395	(786,967)	(11,073,804)
<b>Total Net Position</b>	<b>\$ 12,604,931</b>	<b>3,125,606</b>	<b>\$ 63,333</b>	<b>1,147,361</b>	<b>\$ 12,668,264</b>	<b>4,272,967</b>

Of the District's total assets, 24% 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

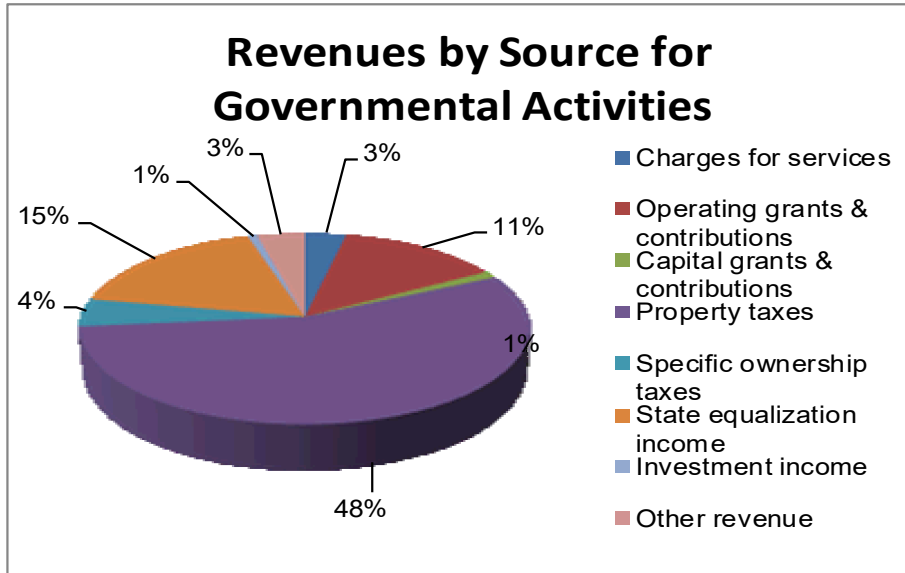
Net position for governmental activities increased by \$8,395,297. The following graph summarizes the District's change in net position:

### Clear Creek School District RE-1's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 501,098	344,893	\$ 79,443	71,561	\$ 580,541	416,45
Operating grants & contributions	1,944,937	2,211,407	-	11,250	1,944,937	2,222,65
Capital grants & contributions	165,990	21,177	-	-	165,990	21,17
General revenues:						
Property taxes	8,167,773	7,010,779	-	-	8,167,773	7,010,77
Specific ownership taxes	675,021	659,316	-	-	675,021	659,31
State equalization income	2,542,795	1,867,982	-	-	2,542,795	1,867,98
Grants and contributions not restricted to specific programs	306,158	93,587	-	-	306,158	93,58
Investment income	110,832	9,957	-	-	110,832	9,95
Gain on disposal of assets	2,367,306	2,715	-	-	2,367,306	2,71
Other revenue	267,730	177,482	-	-	267,730	177,48
<b>Total Revenues</b>	<b>17,049,640</b>	<b>12,399,295</b>	<b>79,443</b>	<b>82,811</b>	<b>17,129,083</b>	<b>12,482,10</b>
<b>Expenses:</b>						
Direct instruction	2,860,930	3,675,528	-	-	2,860,930	3,675,52
Indirect instruction	998,329	437,712	-	-	998,329	437,71
General administration	621,378	412,785	-	-	621,378	412,78
Support services	528,991	451,341	-	-	528,991	451,34
Custodial and maintenance	2,210,929	1,200,681	-	-	2,210,929	1,200,68
Transportation	470,823	209,680	-	-	470,823	209,68
Food service	247,951	100,618	-	-	247,951	100,61
Community service	1,208	734	-	-	1,208	73
Sewer treatment	-	-	-	75,605	-	75,60
Tuition preschool	-	-	72,528	102,164	72,528	102,16
Interest on long-term debt	720,719	140,933	-	-	720,719	140,93
<b>Total Expenses</b>	<b>8,661,258</b>	<b>6,630,012</b>	<b>72,528</b>	<b>177,769</b>	<b>8,733,786</b>	<b>6,807,78</b>
<b>Change in Net Position</b>	<b>8,388,382</b>	<b>5,769,283</b>	<b>6,915</b>	<b>(94,958)</b>	<b>8,395,297</b>	<b>5,674,32</b>
<b>Net Position - Beginning of Year</b>	<b>3,125,606</b>	<b>(2,643,677)</b>	<b>1,147,361</b>	<b>1,242,319</b>	<b>4,272,967</b>	<b>(1,401,35)</b>
<b>Transfers</b>	<b>1,090,943</b>	<b>-</b>	<b>(1,090,943)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position - End of Year</b>	<b>\$ 12,604,931</b>	<b>3,125,606</b>	<b>\$ 63,333</b>	<b>1,147,361</b>	<b>\$ 12,668,264</b>	<b>4,272,96</b>

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 \$55,665,318. This is an increase of \$45,613,248 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 \$9,788,647 were favorable to budgeted expenditures of \$15,871,615.

**Capital Assets:** The District's investment in capital assets for governmental activities as of June 30, 2022 amounts to \$18,410,160, (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, 2022, the District had an outstanding debt of \$58,833,969 consisting of the District's net pension and OPEB liabilities, general obligation bonds, and compensated absences payable. The District's net pension liability decreased \$5,455,387 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 2022 was \$7,793,838. The District budgeted revenues to cover budgeted expenditures in the General Fund for fiscal year 2022.

**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, 2022**

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Georgetown Community School
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	56,770,846	-	56,770,846	734,650
Accounts receivable, net:				
Taxes	413,595	-	413,595	-
Other governments	1,194	-	1,194	196,443
Other	458,850	-	458,850	-
Internal balances	(68,323)	68,323	-	-
Prepaid expenses	6,490	-	6,490	1,406
Inventory	4,520	-	4,520	-
<b>Total Current Assets</b>	<b>57,587,172</b>	<b>68,323</b>	<b>57,655,495</b>	<b>932,499</b>
<b>Capital Assets:</b>				
Capital assets not being depreciated	1,906,280	-	1,906,280	-
Capital assets being depreciated, net	16,503,880	-	16,503,880	99,600
<b>Total Capital Assets</b>	<b>18,410,160</b>	<b>-</b>	<b>18,410,160</b>	<b>99,600</b>
<b>Total Assets</b>	<b>75,997,332</b>	<b>68,323</b>	<b>76,065,655</b>	<b>1,032,099</b>
<b>Deferred Outflows of Resources</b>				
Related to pension	3,534,671	-	3,534,671	229,286
Related to other post-employment benefits ("OPEB")	58,649	-	58,649	8,640
<b>Total Deferred Outflows of Resources</b>	<b>3,593,320</b>	<b>-</b>	<b>3,593,320</b>	<b>237,926</b>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses	528,376	406	528,782	12,926
Contracts and retainage payable	14,347	-	14,347	-
Accrued compensation	1,139,381	4,584	1,143,965	62,224
Due to other governments	-	-	-	11,312
Unearned revenue	30,558	-	30,558	39,096
Other current liabilities	91,701	-	91,701	-
Accrued interest	136,169	-	136,169	-
<b>Total Current Liabilities</b>	<b>1,940,532</b>	<b>4,990</b>	<b>1,945,522</b>	<b>125,558</b>
<b>Noncurrent Liabilities:</b>				
Accrued compensated absences	756,013	-	756,013	49,867
Bonded debt:				
Due within one year	1,215,276	-	1,215,276	-
Due in more than one year	45,758,915	-	45,758,915	-
Net pension liability	10,591,340	-	10,591,340	1,173,026
Net other post-employment benefits liability	512,425	-	512,425	56,638
<b>Total Noncurrent Liabilities</b>	<b>58,833,969</b>	<b>-</b>	<b>58,833,969</b>	<b>1,279,531</b>
<b>Total Liabilities</b>	<b>60,774,501</b>	<b>4,990</b>	<b>60,779,491</b>	<b>1,405,089</b>
<b>Deferred Inflows of Resources</b>				
Related to pension	5,959,588	-	5,959,588	755,952
Related to other post-employment benefits ("OPEB")	251,632	-	251,632	31,373
<b>Total deferred inflows of resources</b>	<b>6,211,220</b>	<b>-</b>	<b>6,211,220</b>	<b>787,325</b>
<b>Net Position:</b>				
Net investment in capital assets	11,150,442	-	11,150,442	99,600
Restricted for:				
Emergencies	272,082	-	272,082	42,442
Multi-year obligations	52,583	-	52,583	-
Debt service	1,980,124	-	1,980,124	-
Unrestricted	(850,300)	63,333	(786,967)	(1,064,431)
<b>Total Net Position</b>	<b>12,604,931</b>	<b>63,333</b>	<b>12,668,264</b>	<b>(922,389)</b>

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

**Clear Creek School District RE-1**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

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	
<b>Governmental Activities:</b>								
Direct instruction	2,860,930	289,966	1,499,847	165,990	(905,127)		(905,127)	
Indirect instruction	998,329	13,689	174,292	-	(810,348)		(810,348)	
General administration	621,378	45,460	-	-	(575,918)		(575,918)	
Support services	528,991	36,000	-	-	(492,991)		(492,991)	
Custodial and maintenance	2,210,929	-	-	-	(2,210,929)		(2,210,929)	
Transportation	470,823	72,733	-	-	(398,090)		(398,090)	
Food service	247,951	43,250	270,798	-	66,097		66,097	
Community service	1,208	-	-	-	(1,208)		(1,208)	
Interest on long-term debt	720,719	-	-	-	(720,719)		(720,719)	
<b>Total governmental activities</b>	<b>8,661,258</b>	<b>501,098</b>	<b>1,944,937</b>	<b>165,990</b>	<b>(6,049,233)</b>		<b>(6,049,233)</b>	
<b>Business-type Activities:</b>								
Tuition preschool	72,528	79,443	-	-		6,915	6,915	
<b>Total Business-type Activities</b>	<b>72,528</b>	<b>79,443</b>	<b>-</b>	<b>-</b>		<b>6,915</b>	<b>6,915</b>	
<b>Component Unit:</b>								
Georgetown Community School	942,227	46,066	261,771	14,440				(619,950)
<b>Total component unit</b>	<b>942,227</b>	<b>46,066</b>	<b>261,771</b>	<b>14,440</b>				<b>(619,950)</b>
<b>General revenues:</b>								
Taxes:								
Property taxes - Levied for general operations					5,712,361	-	5,712,361	349,263
Property taxes - Levied for debt service					2,455,412	-	2,455,412	-
Specific ownership taxes					675,021	-	675,021	-
State equalization income					2,542,795	-	2,542,795	912,096
Grants and contributions not restricted to specific programs					306,158	-	306,158	46,862
Investment income					110,832	-	110,832	781
Gain on disposal of assets					2,367,306	-	2,367,306	-
Other revenue					267,730	-	267,730	-
Transfers					1,090,943	(1,090,943)	-	-
<b>Total general revenues</b>					<b>15,528,558</b>	<b>(1,090,943)</b>	<b>14,437,615</b>	<b>1,309,002</b>
<b>Change in net position</b>					<b>9,479,325</b>	<b>(1,084,028)</b>	<b>8,395,297</b>	<b>689,052</b>
<b>Net Position - Beginning</b>					<b>3,125,606</b>	<b>1,147,361</b>	<b>4,272,967</b>	<b>(1,611,441)</b>
<b>Net Position - Ending</b>					<b>12,604,931</b>	<b>63,333</b>	<b>12,668,264</b>	<b>(922,389)</b>

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



**Clear Creek School District RE-1**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds				Capital Projects Funds		Total Governmental Funds	
	General Fund	Food Service Fund	Grant Fund	Pupil Activity Fund	Debt Service Fund	Capital Reserve Fund		Building Fund
<b>Assets:</b>								
Cash and cash equivalents	10,993,670	32,228	-	323,888	1,900,812	3,805,774	39,714,473	56,770,845
Accounts receivable, net:								
Taxes	218,276	-	-	-	77,828	-	-	296,104
Other governments	1,194	-	98,799	-	-	-	-	99,993
Other	19,639	23,766	339,295	-	-	-	-	382,700
Due from other funds	-	105,476	-	-	1,484	2,494,712	-	2,601,672
Prepaid expenses	-	-	6,490	-	-	-	-	6,490
Inventories	-	4,520	-	-	-	-	-	4,520
<b>Total Assets</b>	<b>11,232,779</b>	<b>165,990</b>	<b>444,584</b>	<b>323,888</b>	<b>1,980,124</b>	<b>6,300,486</b>	<b>39,714,473</b>	<b>60,162,324</b>
<b>Liabilities:</b>								
Accounts payable and accrued expenses	56,498	365	120,691	-	-	8,912	364,559	551,025
Contracts and retainage payable	-	-	-	-	-	-	14,347	14,347
Accrued salaries	1,043,242	12,357	83,782	-	-	-	-	1,139,381
Due to other funds	2,247,500	-	215,025	-	-	-	207,470	2,669,995
Unearned revenue	-	5,471	25,086	-	-	-	-	30,557
Other current liabilities	91,701	-	-	-	-	-	-	91,701
<b>Total Liabilities</b>	<b>3,438,941</b>	<b>18,193</b>	<b>444,584</b>	<b>-</b>	<b>-</b>	<b>8,912</b>	<b>586,376</b>	<b>4,497,006</b>
<b>Fund Balances:</b>								
Non-spendable:								
Prepaid expenses	-	-	6,490	-	-	-	-	6,490
Inventories	-	4,520	-	-	-	-	-	4,520
Restricted:								
TABOR	271,227	855	-	-	-	-	-	272,082
Multi-year obligations	52,583	-	-	-	-	-	-	52,583
Bond proceeds	-	-	-	-	-	-	39,128,097	39,128,097
Debt service	-	-	-	-	1,980,124	-	-	1,980,124
Committed:								
Food service	-	142,422	-	-	-	-	-	142,422
Capital projects	-	-	-	-	-	6,291,574	-	6,291,574
Student activities	-	-	-	323,888	-	-	-	323,888
Unassigned	7,470,028	-	(6,490)	-	-	-	-	7,463,538
<b>Total Fund Balances</b>	<b>7,793,838</b>	<b>147,797</b>	<b>-</b>	<b>323,888</b>	<b>1,980,124</b>	<b>6,291,574</b>	<b>39,128,097</b>	<b>55,665,318</b>
<b>Total Liabilities and Fund Balances</b>	<b>11,232,779</b>	<b>165,990</b>	<b>444,584</b>	<b>323,888</b>	<b>1,980,124</b>	<b>6,300,486</b>	<b>39,714,473</b>	<b>60,162,324</b>

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, 2022**

Governmental Funds Total Fund Balance		55,665,318
<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>		
		117,492
<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	45,674,029	
Accumulated depreciation	<u>(27,263,869)</u>	18,410,160
<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	(2,424,918)	
Net Unamortized OPEB-related Deferred Outflows and Inflows	<u>(192,983)</u>	(2,617,901)
<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>(7,022,691)</u>	(7,022,691)
<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	(39,951,500)	
Net pension liability	(10,591,340)	
Net OPEB liability	(512,425)	
Accrued compensated absences and early retirement	(756,013)	
Accrued interest	<u>(136,169)</u>	<u>(51,947,447)</u>
Governmental Activities Net Position		<u><u>12,604,931</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, 2022**

	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	
<b>Revenues:</b>								
Local sources	6,733,526	43,250	14,788	289,966	2,438,760	-	99,220	9,619,510
Federal sources	375,101	269,171	1,298,668	-	-	-	-	1,942,940
State sources	2,937,353	1,627	328,778	-	-	-	-	3,267,758
<b>Total Revenues</b>	<b>10,045,980</b>	<b>314,048</b>	<b>1,642,234</b>	<b>289,966</b>	<b>2,438,760</b>	<b>-</b>	<b>99,220</b>	<b>14,830,208</b>
<b>Expenditures:</b>								
Direct instruction	4,253,425	-	825,988	247,180	-	-	-	5,326,593
Indirect instruction	1,363,908	-	358,172	-	-	-	-	1,722,080
General administration	1,341,035	-	22,727	-	-	-	-	1,363,762
Support services	592,233	-	100,588	-	-	-	-	692,821
Custodial and maintenance	1,474,261	-	48,310	-	-	-	-	1,522,571
Transportation	750,678	-	109,228	-	-	-	-	859,906
Community service	1,208	-	-	-	-	-	-	1,208
Food service	-	338,934	25,671	-	-	-	-	364,605
Capital outlay	11,899	-	151,550	-	-	282,370	1,308,266	1,754,085
Debt service:								
Principal	-	-	-	-	970,000	-	-	970,000
Interest and fiscal charges	-	-	-	-	595,583	-	262,880	858,463
<b>Total Expenditures</b>	<b>9,788,647</b>	<b>338,934</b>	<b>1,642,234</b>	<b>247,180</b>	<b>1,565,583</b>	<b>282,370</b>	<b>1,571,146</b>	<b>15,436,094</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>257,333</b>	<b>(24,886)</b>	<b>-</b>	<b>42,786</b>	<b>873,177</b>	<b>(282,370)</b>	<b>(1,471,926)</b>	<b>(605,886)</b>
<b>Other Financing Sources (Uses)</b>								
Sale of capital assets	-	-	-	-	-	2,367,306	-	2,367,306
Lease purchase proceeds	-	-	-	-	-	3,861,500	-	3,861,500
Bond proceeds	-	-	-	-	-	-	33,000,025	33,000,025
Premium on bonds	-	-	-	-	-	-	7,014,326	7,014,326
Transfers in (out)	(414,023)	120,000	-	-	-	270,000	-	(24,023)
<b>Total Other Financing Sources (Uses)</b>	<b>(414,023)</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,498,806</b>	<b>40,014,351</b>	<b>46,219,134</b>
<b>Net Change in Fund Balance</b>	<b>(156,690)</b>	<b>95,114</b>	<b>-</b>	<b>42,786</b>	<b>873,177</b>	<b>6,216,436</b>	<b>38,542,425</b>	<b>45,613,248</b>
<b>Fund Balance - Beginning of Year</b>	<b>7,950,528</b>	<b>52,683</b>	<b>-</b>	<b>281,102</b>	<b>1,106,947</b>	<b>75,138</b>	<b>585,672</b>	<b>10,052,070</b>
<b>Fund Balance - End of Year</b>	<b>7,793,838</b>	<b>147,797</b>	<b>-</b>	<b>323,888</b>	<b>1,980,124</b>	<b>6,291,574</b>	<b>39,128,097</b>	<b>55,665,318</b>

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, 2022**

Governmental Funds Change in Fund Balances	45,613,248
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.	1,579,971
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.	970,000
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.	(24,080)
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.	(6,949,623)
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.	35,369
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.	5,322,257
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.	(1,321,283)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase (decrease) net position.	1,114,966
Debt proceeds represent an increase in current available resources in the fund financial statements. These proceeds represent an increase in liabilities on the government wide financial statements. This represents the total debt proceeds issued during the year.	(36,861,500)
Governmental Activities Change in Net Position	<u>9,479,325</u>

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, 2022**

	<u>Sewer Treatment Fund</u>	<u>Tuition Preschool Fund</u>	<u>Total</u>
<b>Assets:</b>			
Due from other funds	-	68,323	68,323
<b>Total Current Assets</b>	<u>-</u>	<u>68,323</u>	<u>68,323</u>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	-	406	406
Accrued salaries	-	4,584	4,584
<b>Total Liabilities</b>	<u>-</u>	<u>4,990</u>	<u>4,990</u>
<b>Net Position:</b>			
Restricted:			
TABOR	-	2,383	2,383
Unrestricted	-	60,950	60,950
<b>Total Net Position</b>	<u>-</u>	<u>63,333</u>	<u>63,333</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, 2022**

	<u>Sewer Treatment Fund</u>	<u>Tuition Preschool Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for Services			
Tuition	-	79,443	79,443
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	-	79,443	79,443
	<hr/>	<hr/>	<hr/>
<b>Operating Expenses:</b>			
Salaries	-	52,727	52,727
Benefits	-	17,296	17,296
Supplies and materials	-	422	422
Other	-	2,083	2,083
	<hr/>	<hr/>	<hr/>
Total Expenses	-	72,528	72,528
	<hr/>	<hr/>	<hr/>
<b>Operating Income (Loss)</b>	-	6,915	6,915
	<hr/>	<hr/>	<hr/>
<b>Nonoperating Revenues (Expenses):</b>			
Transfers (out)	(1,090,943)	-	(1,090,943)
	<hr/>	<hr/>	<hr/>
Total Nonoperating Expenses:	(1,090,943)	-	(1,090,943)
	<hr/>	<hr/>	<hr/>
<b>Net Change in Net Position</b>	(1,090,943)	6,915	(1,084,028)
	<hr/>	<hr/>	<hr/>
<b>Net Position - Beginning of Year</b>	1,090,943	56,418	1,147,361
	<hr/>	<hr/>	<hr/>
<b>Net Position - End of Year</b>	-	63,333	63,333
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2022**

	<b>Sewer Treatment Fund</b>	<b>Tuition Preschool Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from tuition and state sources	-	79,442	79,442
Payments to employees	-	(76,809)	(76,809)
Payments to vendors	-	(159,469)	(159,469)
Net cash (used) by operating activities	-	(156,836)	(156,836)
<b>Net Increase (Decrease) In Cash</b>	-	(156,836)	(156,836)
Cash and Cash Equivalents - July 1	-	156,836	156,836
Cash and Cash Equivalents - June 30	-	-	-
<b>Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:</b>			
Operating income (loss)	-	6,915	6,915
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Transfer from general fund	24,023	-	24,023
Changes in assets and liabilities related to operations:			
(Increase) decrease in prepaids	3,082	-	3,082
(Increase) decrease in due to from other funds	(27,105)	(157,371)	(184,476)
Increase (decrease) in accounts payable	-	406	406
Increase (decrease) in accrued payroll	-	(6,786)	(6,786)
Total adjustments	-	(163,751)	(163,751)
<b>Net cash (used) by operating activities</b>	-	(156,836)	(156,836)

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, 2022**

**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, 2022**  
**(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 of 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, 2022**  
**(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, 2022**  
**(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, 2022**  
**(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, 2022  
(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, 2022**  
**(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, 2022**  
**(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, 2022**  
**(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, 2022**  
**(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, 2022**  
**(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 2022:

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, 2022**  
**(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 \$272,082 of its June 30, 2022 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, 2022, the District had the following cash and investments (including the custodial fund) with the following maturities:

<u>Type:</u>	<u>Standard &amp; Poors Rating</u>	<u>Balance</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking accounts	Not rated	\$ 40,125,784	40,125,784	-
Savings accounts	Not rated	104,100	104,100	-
Cash with fiscal agent	Not rated	4,176,538	4,176,538	-
<i>Investments:</i>				
Investment pool	AAAm	12,364,424	12,364,424	-
		<u>\$ 56,770,846</u>	<u>56,770,846</u>	<u>-</u>

The District has the following recurring fair value measurements:

<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
Csafe	<u>\$ 12,364,424</u>

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Pools.* At June 30, 2022, 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, 2022 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.

*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, 2022**  
**(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:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Grant Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Receivables:					
Taxes	\$ 218,276	-	-	77,828	296,104
Accounts	19,639	-	98,799	-	118,438
Other	-	23,766	-	-	23,766
Intergovernmental	1,194	-	339,295	-	340,489
Gross receivables	<u>239,109</u>	<u>23,766</u>	<u>438,094</u>	<u>77,828</u>	<u>778,797</u>
Less: allowance for uncollectible	-	-	-	-	-
<b>Net Receivables</b>	<u><u>\$ 239,109</u></u>	<u><u>23,766</u></u>	<u><u>438,094</u></u>	<u><u>77,828</u></u>	<u><u>778,797</u></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, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfer from Sewer</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 868,734	-	-	-	868,734
Construction in progress	4,049,162	1,037,546	(4,049,162)	-	1,037,546
Total capital assets, not being depreciated	<u>4,917,896</u>	<u>1,037,546</u>	<u>(4,049,162)</u>	<u>-</u>	<u>1,906,280</u>
Capital assets, being depreciated:					
Buildings and improvements	34,024,361	4,781,097	-	1,967,938	40,773,396
Vehicles and equipment	3,530,024	30,473	(593,922)	27,779	2,994,354
Total capital assets being depreciated	<u>37,554,385</u>	<u>4,811,570</u>	<u>(593,922)</u>	<u>1,995,717</u>	<u>43,767,750</u>
Total capital assets - Cost	<u>42,472,281</u>	<u>5,849,116</u>	<u>(4,643,084)</u>	<u>1,995,717</u>	<u>45,674,030</u>
Less accumulated depreciation for:					
Buildings and improvements	(22,811,283)	(1,182,816)	-	(868,250)	(24,862,349)
Vehicles and equipment	(2,624,492)	(138,467)	373,939	(12,501)	(2,401,521)
Total accumulated depreciation	<u>(25,435,775)</u>	<u>(1,321,283)</u>	<u>373,939</u>	<u>(880,751)</u>	<u>(27,263,870)</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 17,036,506</u></u>	<u><u>4,527,833</u></u>	<u><u>(4,269,145)</u></u>	<u><u>1,114,966</u></u>	<u><u>18,410,160</u></u>

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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:

	<b>Capital Outlay</b>	<b>Depreciation Expense</b>
Governmental activities:		
Direct instruction	\$ 664,560	32,538
Indirect instruction	205,466	-
General administration	148,146	-
Support services	91,043	69,878
Custodial and maintenance	324,701	1,218,867
Transportation	102,185	-
Food service	43,870	-
<b>Total - governmental activities</b>	<b>\$ 1,579,971</b>	<b>1,321,283</b>

Capital asset activity for the District's business-type activities for the year ended June 30, 2022, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Transfer to Governmental</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Building	\$ 1,967,938	-	(1,967,938)	-
Equipment	27,779	-	(27,779)	-
Total capital assets being depreciated	1,995,717	-	(1,995,717)	-
Less accumulated depreciation for:				
Building	(868,250)	-	868,250	-
Equipment	(12,501)	-	12,501	-
Total accumulated depreciation	(880,751)	-	880,751	-
<b>Business-type activities capital assets, net</b>	<b>\$ 1,114,966</b>	<b>-</b>	<b>(1,114,966)</b>	<b>-</b>

The District transferred the assets of the fund to the District's governmental activities.

*Discretely presented component units:*

**Georgetown Community School:**

	<b>Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>
Capital assets, being depreciated:				
Improvements and equipment	\$ 116,711	22,228	-	138,939
Total capital assets, being depreciated	116,711	22,228	-	138,939
Less accumulated depreciation for:				
Improvements and equipment	(32,223)	(7,116)	-	(39,339)
Total accumulated depreciation	(32,223)	(7,116)	-	(39,339)
<b>Total Capital Assets, Net</b>	<b>\$ 84,488</b>	<b>15,112</b>	<b>-</b>	<b>99,600</b>

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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, 2022:

	<b>Receivable Fund</b>	<b>Payable Fund</b>
General Fund	\$ -	2,247,500
Grant Fund	-	215,025
Debt Service Fund	1,484	-
Building Fund	-	207,470
Capital Reserve Fund	2,494,712	-
Food Services Fund	105,476	-
Tuition Preschool Fund	68,323	-
	\$ 2,669,995	2,669,995

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 2022 were as follows:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer (out)</b>
General Fund	\$ -	\$ (414,023)
Capital Reserve	270,000	-
Food Services Fund	120,000	-
Sewer Fund	24,023	-
Total	\$ 414,023	(414,023)

**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 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 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, 2022**  
**(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 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. 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 be used 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 6.10% 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 at June 30, 2022, are as follows:

<b>Fiscal Year Ending:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,111,158	1,626,071	2,737,228
2024	1,239,802	1,597,939	2,837,741
2025	1,276,161	1,554,835	2,830,996
2026	1,112,712	1,504,735	2,617,447
2027	1,164,461	1,452,259	2,616,721
2028-2032	6,680,929	6,382,790	13,063,719
2033-2037	8,368,132	4,670,471	13,038,603
2038-2042	8,653,145	2,945,100	11,598,245
2043-2047	10,345,000	24,463,584	34,808,584
	<u>\$ 39,951,500</u>	<u>\$ 46,197,784</u>	<u>\$ 86,149,284</u>

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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, 2022:

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance June 30, 2022</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
2019 General obligation bonds	4,060,000	-	(970,000)	3,090,000	1,000,000
2019 Premium on general obligation bonds	198,203	-	(49,551)	148,652	-
2022 General obligation bonds	-	33,000,000	-	33,000,000	-
2022 Premium on general obligation bonds	-	7,014,326	(140,287)	6,874,039	-
2022 Lease purchase	-	3,861,500	-	3,861,500	215,276
Compensated absences	731,933	24,080	-	756,013	116,230
Net OPEB liability	583,635	-	(71,210)	512,425	-
Net pension liability	16,046,727	-	(5,455,387)	10,591,340	-
<b>Total Governmental Activities</b>	<b>\$ 21,620,498</b>	<b>43,899,906</b>	<b>(6,686,435)</b>	<b>58,833,969</b>	<b>1,331,506</b>

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 comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2021:* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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, 2022**  
**(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, 2022:* 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 10.00 percent of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022.

	<b>July 1, 2021 Through July 30, 2022</b>
Employer Contribution Rate	10.90%
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	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>19.88%</b>

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, 2022.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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 \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (“HB”) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

*Pension Liabilities:* The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

At June 30, 2022, the District reported a liability of \$10,591,340 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	\$	10,591,340
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		1,089,289
Total	\$	11,680,629

At December 31, 2021, the District’s proportion was 0.0910%, as compared to its proportion of 0.1061% measured as of December 31, 2020.

*Pension Expense:* For the year ended June 30, 2022, the District recognized pension credit of \$5,254,133 and revenue (expense) of (\$290,245) for support from the State as a nonemployer contributing entity.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
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**(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, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 405,479	-
Changes of assumptions or other inputs	808,570	-
Net difference between projected and actual earnings on pension plan investments	-	3,982,027
Changes in proportionate share of contributions	1,724,545	1,977,561
Contributions subsequent to the measurement date	596,077	-
Total	\$ 3,534,671	5,959,588

\$596,077 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ (415,962)
2024	(1,279,982)
2025	(841,718)
2026	(483,332)
<b>Total</b>	<b>\$ (3,020,994)</b>

**Clear Creek School District RE-1  
Notes to the Financial Statements  
June 30, 2022  
(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, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 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)	Financed by the Annual Increase Reserve ("AIR")

The Total Pension Liability ("TPL") as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **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, 2022**  
**(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, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25 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%
<b>Total</b>	<b>100.00%</b>	

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**  
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**(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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include 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.
- 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.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022
- Benefit payments and contributions were assumed to be made at the middle of the year.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
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**(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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension liability	\$ 15,589,586	\$ 10,591,340	\$ 6,420,490

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

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
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**(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, 2022**  
**(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, 2022, the District's contributions to HCTF were approximately \$75,735 .

*Liabilities:* At June 30, 2022, the District reported a liability for OPEB of \$512,425 for its proportionate share of net OPEB. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2021. The District proportion of the net OPEB liability was based on District contributions to the HCTF. for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District proportion was 0.0594%, as compared to its proportion of 0.0614% measured as of December 31, 2020.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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, 2022, the District recognized OPEB credit of \$68,124. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expenses and actual experience	\$ 781	121,502
Change of assumptions or other inputs	10,609	27,796
Net difference between projected and actual earnings on plan investments	-	31,719
Changes in proportionate share of contributions	16,676	70,615
Contributions subsequent to measurement date	30,583	-
	\$ 58,649	251,632

\$29,511 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net OPEB benefits liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>		
2023	\$	(57,818)
2024		(62,057)
2025		(59,107)
2026		(28,486)
2027		(10,566)
Thereafter		(5,532)
<b>Total</b>	<b>\$</b>	<b>(223,566)</b>

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.5% in 2021, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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)* In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

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

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 20, 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.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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)* The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

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

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below 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, 2022**  
**(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, 2022**  
**(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:

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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)**

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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Collective Net OPEB Liability	\$ 837,542,000	\$ 862,305,000	\$ 890,991,000
Proportionate Share of Net OPEB Liability	\$ 497,710	\$ 512,425	\$ 529,472

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(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)**

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	\$ 595,128	\$ 512,425	\$ 441,782

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

*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, 2022.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(Continued)**

**V. Other Information (continued)**

**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, 2022.

**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, 2022.

**Clear Creek School District RE-1**  
**Notes to the Financial Statements**  
**June 30, 2022**  
**(Continued)**

**V. Other Information (continued)**

**C. Contingencies (continued)**

**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, 2021, the latest available data. The following summary information is presented:

Assets	\$ 604,875
Deferred Outflows of Resources	615,036
Liabilities	2,077,933
Deferred Inflows of Resources	953,288
Net Position	<u>\$ (1,811,310)</u>
Expenses	\$ (1,418,998)
Program Revenues	2,060,669
General Revenues	664
Change in Net Position	<u>642,335</u>
Net Position - Beginning	<u>(2,453,645)</u>
Net Position - Ending	<u>\$ (1,811,310)</u>

For the year ended June 30, 2022 and 2021, the District made operating contributions of \$217,772 and \$214,974 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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	<u>2022</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2021</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>		<b>Actual Amounts</b>
<b>Revenues:</b>					
Local sources:					
Property taxes levied for general purposes	5,545,039	5,545,039	5,696,123	151,084	5,952,496
Specific ownership taxes	332,857	332,857	675,021	342,164	659,316
Charter school services	182,000	182,000	167,370	(14,630)	169,723
Charges and fees	16,500	16,500	3,342	(13,158)	-
Investment income	40,000	40,000	20,134	(19,866)	6,537
Other	189,500	189,500	171,536	(17,964)	181,655
Total Local Sources	<u>6,305,896</u>	<u>6,305,896</u>	<u>6,733,526</u>	<u>427,630</u>	<u>6,969,727</u>
Federal sources	233,000	233,000	375,101	142,101	103,414
State sources:					
Equalization	2,161,438	2,161,438	2,133,738	(27,700)	1,624,029
Other	811,727	811,727	673,988	(137,739)	766,870
Total State Sources	<u>2,973,165</u>	<u>2,973,165</u>	<u>2,807,726</u>	<u>(165,439)</u>	<u>2,390,899</u>
Total Revenues	<u>9,512,061</u>	<u>9,512,061</u>	<u>9,916,353</u>	<u>404,292</u>	<u>9,464,040</u>
<b>Expenditures:</b>					
Direct instruction	4,118,792	4,118,792	4,186,105	(67,313)	3,831,136
Indirect instruction	1,467,866	1,467,866	1,345,821	122,045	1,170,529
General administration	1,179,040	1,179,040	1,325,612	(146,572)	1,201,679
Support services	627,247	627,247	586,314	40,933	613,127
Custodial and maintenance	1,391,895	1,391,895	1,460,998	(69,103)	1,257,683
Transportation	927,983	927,983	741,063	186,920	753,741
Community service	900	900	1,208	(308)	734
Food service	1,000	1,000	-	1,000	514
Contingency reserve	6,156,892	6,156,892	-	6,156,892	2,769
Capital outlay	-	-	11,899	(11,899)	-
Total Expenditures	<u>15,871,615</u>	<u>15,871,615</u>	<u>9,659,020</u>	<u>6,212,595</u>	<u>8,831,912</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(6,359,554)</u>	<u>(6,359,554)</u>	<u>257,333</u>	<u>6,616,887</u>	<u>632,128</u>
<b>Other Financing Sources (Uses)</b>					
Transfers (out)	(390,000)	(390,000)	(414,023)	(24,023)	(199,834)
Total Other Financing Sources (Uses)	<u>(390,000)</u>	<u>(390,000)</u>	<u>(414,023)</u>	<u>(24,023)</u>	<u>(199,834)</u>
<b>Net Change in Fund Balance</b>	(6,749,554)	(6,749,554)	(156,690)	6,592,864	432,294
<b>Fund Balance - Beginning of Year</b>	6,737,554	6,737,554	7,950,528	1,212,974	7,518,234
<b>Fund Balance - End of Year</b>	<u>(12,000)</u>	<u>(12,000)</u>	<u>7,793,838</u>	<u>7,805,838</u>	<u>7,950,528</u>
<b>Reconciliation to GAAP Basis:</b>					
<b>Adjustments:</b>					
Pension direct distribution - Special funding			129,627		-
Pension expense - Special funding			(129,627)		-
<b>Fund Balance - End of Year - GAAP Basis</b>			<u>7,793,838</u>		<u>7,950,528</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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>Revenues:</b>					
Local sources:					
Food and ala carte sales	126,857	126,857	42,868	(83,989)	24,109
Other	-	-	382	382	500
Federal sources	204,430	204,430	269,171	64,741	218,796
State sources	3,712	3,712	1,627	(2,085)	1,696
Total Revenues	<u>334,999</u>	<u>334,999</u>	<u>314,048</u>	<u>(20,951)</u>	<u>245,101</u>
<b>Expenditures:</b>					
Food service	549,660	549,660	338,934	210,726	286,724
Total Expenditures	<u>549,660</u>	<u>549,660</u>	<u>338,934</u>	<u>210,726</u>	<u>286,724</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(214,661)</u>	<u>(214,661)</u>	<u>(24,886)</u>	<u>189,775</u>	<u>(41,623)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	120,000	120,000	120,000	-	47,834
Total Other Financing Sources (Uses)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>47,834</u>
<b>Net Change in Fund Balance</b>	(94,661)	(94,661)	95,114	189,775	6,211
<b>Fund Balance - Beginning of Year</b>	94,661	94,661	52,683	(41,978)	46,472
<b>Fund Balance - End of Year</b>	<u>-</u>	<u>-</u>	<u>147,797</u>	<u>147,797</u>	<u>52,683</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)**  
**Grant Fund**  
**For the Year Ended June 30, 2022**  
**(With Comparative Actual Amounts for 2021)**

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>Revenues:</b>					
Local sources:					
Other	68,617	68,617	14,788	(53,829)	-
Federal sources	1,455,667	1,455,667	1,298,668	(156,999)	863,315
State sources	420,898	420,898	328,778	(92,120)	552,043
Total Revenues	<u>1,945,182</u>	<u>1,945,182</u>	<u>1,642,234</u>	<u>(302,948)</u>	<u>1,415,358</u>
<b>Expenditures:</b>					
Direct instruction	1,066,995	1,066,995	825,988	241,007	478,726
Indirect instruction	589,978	589,978	358,172	231,806	261,008
General administration	-	-	22,727	(22,727)	15,888
Support services	38,507	38,507	100,588	(62,081)	324,359
Custodial and maintenance	58,100	58,100	48,310	9,790	312,714
Transportation	-	-	109,228	(109,228)	4,129
Capital outlay	190,397	190,397	151,550	38,847	-
Food service	1,205	1,205	25,671	(24,466)	18,534
Total Expenditures	<u>1,945,182</u>	<u>1,945,182</u>	<u>1,642,234</u>	<u>302,948</u>	<u>1,415,358</u>
<b>Net Change in Fund Balance</b>	-	-	-	-	-
<b>Fund Balance - Beginning of Year</b>	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	<u>2022</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2021</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
<b>Revenues:</b>					
Student Activities	541,000	541,000	289,966	(251,034)	150,561
Total Revenues	<u>541,000</u>	<u>541,000</u>	<u>289,966</u>	<u>(251,034)</u>	<u>150,561</u>
<b>Expenditures:</b>					
Student Activities	541,000	541,000	247,180	293,820	127,760
Total Expenditures	<u>541,000</u>	<u>541,000</u>	<u>247,180</u>	<u>293,820</u>	<u>127,760</u>
<b>Net Change in Fund Balance</b>	-	-	42,786	42,786	22,801
<b>Fund Balance - Beginning of Year</b>	<u>258,301</u>	<u>258,301</u>	<u>281,102</u>	<u>22,801</u>	<u>258,301</u>
<b>Fund Balance - End of Year</b>	<u><u>258,301</u></u>	<u><u>258,301</u></u>	<u><u>323,888</u></u>	<u><u>65,587</u></u>	<u><u>281,102</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 \***

<b>For the year-ended at the measurement date December 31,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
District's proportion of the net pension liability	0.0910%	0.1061%	0.0954%	0.9921%	0.1124%	0.1202%	0.1202%	0.1216%	0.1301%
District's proportionate share of the net pension liability	10,591,340	16,046,727	14,248,734	16,315,792	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	1,089,289	-	2,289,091	2,230,958	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>11,680,629</u>	<u>16,046,727</u>	<u>16,537,825</u>	<u>18,546,750</u>	<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	5,688,068	5,679,859	5,605,346	5,065,598	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	186%	283%	295%	366%	701%	663%	351%	315%	319%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.07%	62.80%	59.16%	43.10%	43.96%	57.01%	64.52%

\* 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 2014.

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 \***

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

\* Information is only available beginning in fiscal year 2014.

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 \***

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

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

**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 \***

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

**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, 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.

**2. 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.

**3. 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.

**4. Changes since the December 31, 2016 actuarial valuation:**

- The single equivalent interest rate ("SEIR") was lowered from 5.26 percent to 4.78 percent 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.



**Clear Creek School District RE-1**  
**Notes to Required Supplementary Information**  
**June 30, 2022**  
**(Continued)**

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

**A. Changes to assumptions or other inputs (continued)**

**4. Changes since the December 31, 2016 actuarial valuation (continued):**

- The municipal bond index rate used in the determination of the SEIR changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

**5. Changes since the December 31, 2015 actuarial valuation:**

- The investment return assumption was lowered from 7.50 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent 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 percent factor applied to male rates and a 55 percent 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 percent to 0.40 percent.
- The single equivalent interest rate (the "SEIR") for the SCHDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (the "FNP"), and the resulting application of the municipal bond index rate
- The SEIR for the DPS Division was lowered from 7.50 percent to 7.25 percent, reflecting the change in the long-term expected rate of return.

**6. 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, 2022**  
**(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, 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.1 above.

**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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	<u>2022</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2021</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>		<b>Actual Amounts</b>
<b>Revenues:</b>					
Local sources:					
Property taxes levied for general purposes	1,135,653	1,135,653	2,436,282	1,300,629	1,089,461
Investment income	10,000	10,000	2,478	(7,522)	687
Total Local Sources	<u>1,145,653</u>	<u>1,145,653</u>	<u>2,438,760</u>	<u>1,293,107</u>	<u>1,090,148</u>
Total Revenues	<u>1,145,653</u>	<u>1,145,653</u>	<u>2,438,760</u>	<u>1,293,107</u>	<u>1,090,148</u>
<b>Expenditures:</b>					
Debt service:					
Principal	970,000	970,000	970,000	-	940,000
Interest and fiscal charges	1,289,500	1,289,500	595,583	693,917	142,500
Total Expenditures	<u>2,259,500</u>	<u>2,259,500</u>	<u>1,565,583</u>	<u>693,917</u>	<u>1,082,500</u>
<b>Net Change in Fund Balance</b>	(1,113,847)	(1,113,847)	873,177	1,987,024	7,648
<b>Fund Balance - Beginning of Year</b>	<u>1,113,847</u>	<u>1,113,847</u>	<u>1,106,947</u>	<u>(6,900)</u>	<u>1,099,299</u>
<b>Fund Balance - End of Year</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,980,124</u></u>	<u><u>1,980,124</u></u>	<u><u>1,106,947</u></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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>Revenues:</b>					
Local sources:					
Investment income	500	500	-	(500)	166
State sources	-	-	-	-	4,436
<b>Total Revenues</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>(500)</b>	<b>4,602</b>
<b>Expenditures:</b>					
Equipment	-	-	-	-	119,321
Vehicles	-	-	-	-	38,122
Other	175,500	175,500	282,370	(106,870)	8,919
<b>Total Expenditures</b>	<b>277,053</b>	<b>277,053</b>	<b>282,370</b>	<b>(5,317)</b>	<b>166,362</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(276,553)</b>	<b>(276,553)</b>	<b>(282,370)</b>	<b>(5,817)</b>	<b>(161,760)</b>
<b>Other Financing Sources (Uses)</b>					
Lease purchase proceeds	-	-	3,861,500	3,861,500	-
Sale of capital assets	3,000	3,000	2,367,306	2,364,306	2,715
Transfers in (out)	-	-	270,000	270,000	152,000
<b>Total Other Financing Sources (Uses)</b>	<b>3,000</b>	<b>3,000</b>	<b>6,498,806</b>	<b>6,495,806</b>	<b>154,715</b>
<b>Net Change in Fund Balance</b>	<b>(273,553)</b>	<b>(273,553)</b>	<b>6,216,436</b>	<b>6,489,989</b>	<b>(7,045)</b>
<b>Fund Balance - Beginning of Year</b>	<b>3,553</b>	<b>3,553</b>	<b>75,138</b>	<b>71,585</b>	<b>82,183</b>
<b>Fund Balance - End of Year</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>6,291,574</b>	<b>6,561,574</b>	<b>75,138</b>

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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	2022			Final Budget Variance Positive (Negative)	2021
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>Revenues:</b>					
Local sources:					
Investment income	3,500	32,046	88,220	56,174	2,567
Other	-	-	11,000	11,000	78,384
Total Local Sources	<u>3,500</u>	<u>32,046</u>	<u>99,220</u>	<u>67,174</u>	<u>80,951</u>
Total Revenues	<u>3,500</u>	<u>32,046</u>	<u>99,220</u>	<u>67,174</u>	<u>80,951</u>
<b>Expenditures:</b>					
Land and improvements	222,342	1,305,281	396,592	908,689	1,094,459
Buildings and improvements	156,599	5,633,787	873,815	4,759,972	58,691
Equipment	-	29,109	37,859	(8,750)	2,875,842
Interest and fiscal charges	-	262,880	262,880	-	-
Total Expenditures	<u>378,941</u>	<u>7,231,057</u>	<u>1,571,146</u>	<u>5,659,911</u>	<u>4,028,992</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(375,441)	(7,199,011)	(1,471,926)	5,727,085	(3,948,041)
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	-	33,011,000	33,000,025	(10,975)	-
Bond premium	-	7,014,326	7,014,326	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>40,025,326</u>	<u>40,014,351</u>	<u>(10,975)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(375,441)	32,826,315	38,542,425	5,716,110	(3,948,041)
<b>Fund Balance - Beginning of Year</b>	<u>375,441</u>	<u>585,672</u>	<u>585,672</u>	<u>-</u>	<u>4,533,713</u>
<b>Fund Balance - End of Year</b>	<u>-</u>	<u>33,411,987</u>	<u>39,128,097</u>	<u>5,716,110</u>	<u>585,672</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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	<u>2022</u>			<u>Final Budget</u>	<u>2021</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	<u>Positive</u>	<u>Amounts</u>
				<u>(Negative)</u>	
<b>Operating Revenues:</b>					
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>
<b>Operating Expenses:</b>					
Purchased Services	263,613	263,613	-	263,613	5,265
Supplies and materials	32,435	32,435	-	32,435	13,690
Total Operating Expenses	<u>296,048</u>	<u>296,048</u>	<u>-</u>	<u>296,048</u>	<u>18,955</u>
<b>Income (Loss) From Operations</b>	(246,048)	(246,048)	-	246,048	(18,955)
<b>Non Operating Revenues (Expenses)</b>					
Depreciation	(12,000)	(12,000)	-	(12,000)	(56,650)
Transfers in (out)	-	-	(1,090,943)	(1,090,943)	-
<b>Total Non Operating Revenues (Expenses)</b>	<u>(12,000)</u>	<u>(12,000)</u>	<u>(1,090,943)</u>	<u>(1,102,943)</u>	<u>(56,650)</u>
<b>Change in Net Position</b>	(258,048)	(258,048)	(1,090,943)	(856,895)	(75,605)
<b>Net Position - Beginning of Year</b>	<u>258,048</u>	<u>258,048</u>	<u>1,090,943</u>	<u>832,895</u>	<u>1,166,548</u>
<b>Net Position - End of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>1,090,943</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, 2022**  
**(With Comparative Actual Amounts for 2021)**

	<u>2022</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2021</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>		<b>Actual Amounts</b>
<b>Operating Revenues:</b>					
Local sources:					
Tuition	97,275	97,275	79,443	(17,832)	71,561
State sources	-	-	-	-	11,250
<b>Total Revenues</b>	<u>97,275</u>	<u>97,275</u>	<u>79,443</u>	<u>(17,832)</u>	<u>82,811</u>
<b>Operating Expenses:</b>					
Salaries	73,281	73,281	52,727	20,554	77,404
Benefits	15,726	15,726	17,296	(1,570)	23,782
Supplies and materials	1,100	1,100	422	678	406
Other	75,106	75,106	2,083	73,023	572
<b>Total Operating Expenses</b>	<u>165,213</u>	<u>165,213</u>	<u>72,528</u>	<u>92,685</u>	<u>102,164</u>
<b>Net Change in Net Position</b>	(67,938)	(67,938)	6,915	74,853	(19,353)
<b>Net Position - Beginning of Year</b>	<u>67,938</u>	<u>67,938</u>	<u>56,418</u>	<u>(11,520)</u>	<u>75,771</u>
<b>Net Position - End of Year</b>	<u>-</u>	<u>-</u>	<u>63,333</u>	<u>63,333</u>	<u>56,418</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 2021-22

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	7,995,145	10,088,053	10,289,435	7,793,763
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	-44,617	92,883	48,266	0
<b>Sub- Total</b>	<b>7,950,528</b>	<b>10,180,936</b>	<b>10,337,701</b>	<b>7,793,763</b>
11 Charter School Fund	662,884	1,663,425	1,519,365	806,943
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	52,683	434,048	338,934	147,796
22 Govt Designated-Purpose Grants Fund	0	1,642,233	1,642,233	0
23 Pupil Activity Special Revenue Fund	281,102	289,966	247,180	323,888
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,106,947	2,438,760	1,565,583	1,980,123
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	585,673	40,113,572	1,571,145	39,128,099
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	75,138	6,498,806	282,370	6,291,574
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>10,714,955</b>	<b>63,261,746</b>	<b>17,504,513</b>	<b>56,472,188</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	1,147,361	103,466	1,187,494	63,333
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>1,147,361</b>	<b>103,466</b>	<b>1,187,494</b>	<b>63,333</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

Clear Creek School District RE-1

Statistical Information



**Table II**  
**History of District's Mill Levy**

<b>Levy/Collection Year</b>	<b>General Fund Mill Levy</b>	<b>Bond Fund Mill Levy</b>	<b>Mill Levy Override</b>	<b>Abatements</b>	<b>Total Mill Levy</b>
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

\*2021 Includes a temporary tax credit of 5.264

**Table III**  
**History of District's Assessed Valuation**

<b>Levy/Collection Year</b>	<b>Assessed Valuation</b>	<b>Percent Change</b>
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%

The property tax decline in clear creek county makes for a precarious financial situation for the district. The downward trend reflects the tapering production of the Henderson Mine and a diminished assessed value of clear creek county as a whole.

**Table V**  
**Property Tax Collections for the District<sup>1</sup>**

<b>Levy/Collection Year</b>	<b>Taxes Levied</b>	<b>Current Tax Collections</b>	<b>Collections as a Percent of Taxes Levied</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Taxes Levied</b>
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%

<sup>1</sup>Treasurer's fees have not been deducted from these amounts.

**Table VI**  
**2021 Largest Taxpayers Within the District**

<b>Name</b>	<b>Assessed Valuation</b>	<b>Percent of Assessed Valuation</b>
ClimaxMolybdenum-Henderson Operations	79,310,390	23.47%
Public Service Company of Colorado	25,559,580	7.57%
Albert Frei and Sons Inc.	7,273,490	2.15%
Clear Creek Skiing Corporation	6,207,170	1.84%
Frei Albert & Mary Jane Irrev Trust	1,940,030	0.57%
Cellco Partnership	1,511,060	0.45%
Creek Elevation LLC a CO LLC	1,339,280	0.40%
Qwest Corporation	1,089,600	0.32%
Inter Mountain Construction LLC	1,076,150	0.32%
Frei AR & MJ Limited Partnership	800,320	0.24%
<b>Total</b>	<b>126,107,070</b>	<b>37.33%</b>

**Table VIII**  
**District Enrollment**

<b>School Year</b>	<b>Enrollment<sup>1</sup></b>	<b>Percent Change Based Upon Total Enrollment</b>
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%

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







# MCMAHAN AND ASSOCIATES, L.L.C.

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## 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 26, 2022.

### ***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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2022-01.

*Member: American Institute of Certified Public Accountants*

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**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.**  
**October 26, 2022**



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## **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, 2022. 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, 2022.

### ***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**

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2022-001. Our opinion on the District's major federal programs is not modified with respect to this matter. The District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***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.**  
**October 26, 2022**

**Clear Creek School District RE-1  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022**

**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
National School Lunch Program	ALN 10.555
Food Distribution Commodities	ALN 10.555
Seamless Summer Option - Lunch	ALN 10.555
Supply Chain Assistance	ALN 10.555
Summer Food Service Program for Children	ALN 10.559

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	Yes
Questioned costs	Yes
Auditor-assigned reference number	2022-001

**Clear Creek School District RE-1**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

<b>Reference Number</b>	<b>Findings</b>
2022-001	<p><b>National School Lunch Program (ALN 10.555), Department of Treasury Passed through Colorado Department of Education</b></p> <p><b>Type of Finding:</b> Questioned Costs Find.</p> <p><b>Grant Period:</b> Year ended June 30, 2022</p> <p><b>Criteria or Specific Requirement:</b> To obtain cash assistance, the District must submit monthly claims for reimbursement. The monthly entitlement to reimbursement payments is generally computed by multiplying number of meals served by a prescribed reimbursement rate.</p> <p><b>Condition:</b> The District submitted monthly meal counts for reimbursement that did not agree with system counts of meals served.</p> <p><b>Questioned Costs:</b> Total questioned costs were overcounted 1,134 breakfasts and 2,794 lunches, or \$14,855.52 in overclaimed meals for the first four months of the year.</p> <p><b>Context:</b> The findings were noted in four of twelve monthly reimbursements tested.</p> <p><b>Effect:</b> Noncompliance over cash reimbursements for meal counts.</p> <p><b>Cause:</b> The District did not have controls in place to review reimbursement reporting until implementing controls from the prior year single audit finding recommended in November 2021. There were no further findings in the current year once the finding was reported.</p> <p><b>Recommendation:</b> We noted that the finding was mitigated mid-year, when the District implemented new controls. There is no further recommendation as the finding was mitigated.</p> <p><b>Views of Responsible Officials and Planned Corrective Action:</b> We agree with the auditor's recommendation and will continue internal controls to ensure accuracy over meal reporting.</p>

**Clear Creek School District RE-1**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

**U.S. Department of Treasury**  
**Coronavirus Relief Fund (ALN 21.019)**  
**Passed through Colorado Department of Local Affairs**  
Reference No. 2021-001 – *Allowed Costs*

**Condition:** The District submitted payroll costs for salaried positions that were included in its budgeted expenses. The District additionally reimbursed a software license subscription expense that extended outside of the period of performance.

**Recommendation:** We recommend that the District continue to seek additional guidance on the grant to ensure compliance requirements are followed.

**Current Status:** The District has implemented the above recommendations and corrected the error described above.

**Department of Agriculture**  
**National School Lunch Program (ALN 10.555)**  
**Passed through Colorado Department of Education**  
Reference No. 2021-002 – *Allowed Costs – Material Weakness*

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

**Recommendation:** We recommend that the District implement internal controls to ensure meal counts reconcile and agree to the reimbursement report requested, and appoint an employee to perform a second review of the reimbursement prior to submitting.

**Current Status:** The finding was continued for the first four months of the year as referenced in finding 2022-01 and then was mitigated following the 2021 recommendation.



**Clear Creek School District RE-1  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Project Code</u>	<u>Expenditures</u>	
<b>United States Department of Education</b>				
<b>Passed through State Department of Education:</b>				
Title I, Part A	84.010	4010	134,605	
CSP Remote Learning Grants	84.282	8282	13,410	
Title II, Part A Teacher and Principal Training and Recruiting	84.367	4367	10,500	
ESSER III 90% - LEA Allocation	84.425U	4414	264,905	
ESSER II - Distribution 90%	84.425D	4420	244,714	
ESSER Fund - 10% Discretionary	84.425D	5525	6,678	
GEER - Education Stabilization Fund - ESSER	84.425C	6425	293,805	
Total ESSER Funds			<u>810,102</u>	
Twenty-First Century Community Learning Centers	84.287C	7287	194,542	
<b>Total United States Department of Education</b>			<u>1,163,159</u>	
<b>United States Department of Agriculture</b>				
<b>Passed Through Clear Creek County Treasurer:</b>				
Schools and Roads - Grants to States	10.665	7665	333,341	<b>B</b>
<b>Passed through Colorado Department of Human Services</b>				
Food Distribution Commodities	10.555	4555	14,735	<b>A</b>
<b>Passed through State Department of Education:</b>				
Seamless Summer Option - Breakfast	10.553	5553	41,617	<b>A</b>
National School Lunch Program	10.555	4555	804	<b>A</b>
Seamless Summer Option - Lunch	10.555	5555	191,382	<b>A</b>
Supply Chain Assistance	10.555	6555	15,556	<b>A</b>
Total National School Lunch Program			<u>207,742</u>	
Summer Food Service Program for Children	10.559	4559	4,463	<b>A</b>
SNAP CN Local Administrative	10.649	4649	614	
<b>Total United States Department of Agriculture</b>			<u>602,512</u>	
<b>Total Federal Expenditures</b>			<u>\$ 1,765,671</u>	

**Additional Information for Clusters:**

<b>A</b> Child Nutrition Cluster	\$ 268,557
<b>B</b> Forest Service Schools and Roads Cluster	333,341

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022:**

**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.



**CLEAR CREEK**

SCHOOL DISTRICT RE-1

Best Educators, Empowered Learners, Visionary District.

**October 25, 2022**

**Clear Creek School District RE-1  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2022**

**The District respectfully submits the following corrective action plan for the year ended June 30, 2022.**

**2022-001 Summer Food Service Program for Children - ALN 10.555**

**Compliance Requirement: Allowable Costs and Cost Principles**

**Recommendation: We recommend that the District implement internal controls to ensure meal counts reconcile and agree to the reimbursement report requested, and appoint an employee to perform a second review of the reimbursement prior to submitting.**

**Action taken in response to finding: The District agrees with the recommendation and implemented additional controls with the new food service director beginning in December 2021.**

**Name(s) of the contact person(s) responsible for corrective action: Hollie Harlan,  
Chief Financial Officer**

**Planned completion date for corrective action plan: The District implemented controls beginning December 2021 and no further findings were reported.**