Garfield School District RE-2

Financial Report

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Garfield School District RE-2
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Garfield School District RE-2, 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, each major fund, and the aggregate remaining fund information 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.

Emphasis of Matter

The District adopted Governmental Accounting Standards Board Statement No. 87, *Leases* as detailed in Note V. Our opinion is not modified with respect to this matter.

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.

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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, Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of District's Proportionate Share of the Net Other Post- Employment Benefits Liability, Schedule of District's Pension Contributions, and the Schedule of District's Other Post-Employment Benefits Contributions 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.

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 fund budgetary information, the Auditor's Electronic Financial 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 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 fund budgetary information, the Auditor's Electronic Financial Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards included in the Single Audit 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 introductory section, combining fund financial statements, individual fund budgetary information, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section 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 **February 28, 2023** on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, 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 *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
February 28, 2023

Garfield School District RE-2

Management's Discussion and Analysis

Garfield School District No. Re-2

Management's Discussion and Analysis

June 30, 2022

As management of the Garfield School District No. Re-2 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. A comparison to the prior year's activity is also provided in this document. The District's basic financial statements are comprised of three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

District-wide Financial Statements: The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by a private-sector business.

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

The Statement of Activities presents information showing how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, accrued interest, and changes in long-term compensated absences).

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

- ***Governmental activities:*** The District's basic services are included here, such as instructional services, support services, and student activities.

The district-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.

Overview of the Financial Statements (continued)

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on 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. The District's most significant, or "major", governmental funds include the General Fund, Capital Projects Fund, Designated Purpose Grant Fund, and Bond Redemption Fund. The District reports the Pupil Activity Fund and the Food Service Fund as nonmajor funds.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 financial statements can be found on pages C3 – C6.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 – D36 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets for all funds.

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District-wide Financial Analysis:

Garfield School District No. Re-2 Net Position:

The following table provides a summary of the District's net position as of the fiscal years ended June 30, 2021 and June 30, 2022.

	Governmental Activities	
	2022	**2021**
Assets:		
Current and other assets	$ 44,359,469	$ 42,049,350
Capital assets, net	90,189,345	94,690,673
Total Assets	134,548,814	136,740,023
Deferred Outflows of Resources:		
Charge on refunding	2,067,574	2,697,003
OPEB related deferred outflow	608,718	692,301
Pension related deferred outflow	21,091,530	37,526,198
Total Deferred Outflows	23,767,822	40,915,502
Liabilities:		
Current liabilities	8,370,892	7,218,594
Non-current liabilities:		
Bonded debt	56,132,950	63,441,706
Leases payable	64,569	-
Net OPEB Liability	3,001,654	3,423,299
Net Pension Liability	62,043,319	94,250,870
Total Liabilities	129,613,384	168,334,469
Deferred Inflows of Resources:		
OPEB related deferred inflow	1,259,497	1,197,774
Pension related deferred inflows	35,127,207	39,982,106
Total Deferred Inflows	36,386,704	41,179,880
Net Position:		
Invested in capital assets, net of related debt	33,991,826	31,248,967
Restricted for other purposes	12,623,649	12,863,372
Unrestricted	(54,298,927)	(75,971,163)
Total Net Position	$ (7,683,452)	$ (31,858,824)

Of the District's total assets in 2022, 67% are capital assets (e.g., land, buildings, and equipment). The District's depreciation of assets and asset deletions exceeded additions to capital assets by $4,501,328 for 2022. The District does not have sufficient funds to be able to keep up with depreciation of all capital assets, and is now maintaining records to estimate the amount of deferred maintenance, which is increasing each year. The District uses capital assets to provide instruction and related services to its students.

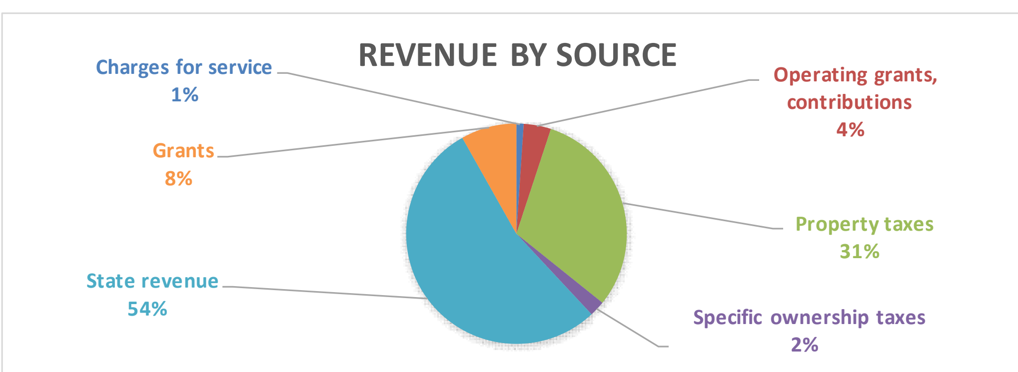
Due to the implementation of GASB 68, the District was required to include the Net Pension Liability on the financial statements, which is the reason for the negative Total Net Position shown above. The Net Pension Liability takes the total assets of PERA (Public Employee Retirement Association), plus anticipated rates of return, less the anticipated amount that will be owed in the future for pension payments. The total PERA pension liability totals $62,043,319. This represents a $32,207,551 decrease in PERA pension liability. The change is primarily the result of PERA changing actuarial assumptions regarding discount rate and investment return.

The Net Position Restricted for Other Purposes includes the net position of the Bond Redemption Fund, and TABOR emergency reserves in the General, Capital Project, Pupil Activity, and Food Service Funds.

	Governmental Activities		
	2022	**2021**	**Change**
Revenues:			
Program revenues			
Charges for services	$ 756,881	$ 421,999	334,882
Operating grants, contributions	2,820,822	2,267,756	553,066
General revenues			
Property taxes	21,662,880	23,364,564	(1,701,684)
Specific ownership taxes	1,591,463	1,587,801	3,662
State revenue	37,922,705	35,187,340	2,735,365
Investment earnings	66,468	(18,193)	84,661
Grants	5,769,639	9,119,678	(3,350,039)
Gain/loss on disposal of assets	-	7,100	(7,100)
Total revenues	**70,590,858**	**71,938,045**	**(1,347,187)**
Expenses:			
Instructional programs	26,292,694	29,004,470	(2,711,776)
Supporting services	15,995,314	14,517,013	1,478,301
Student activities	818,724	476,793	341,931
Food services	1,391,660	1,985,626	(593,966)
Interest on long-term debt	1,917,094	2,091,056	(173,962)
Total Expenses	**46,415,486**	**48,074,958**	**(1,659,472)**
Change in net position	***24,175,372***	***23,863,087***	**312,285**
Net position - July 1	***(31,858,824)***	***(55,721,911)***	
Net position - June 30	***$ (7,683,452)***	***$ (31,858,824)***	

Governmental Activities: Net position may serve as an indicator of the District's financial position over time. The District's total net position increased by $24,175,372 during fiscal year 2022, which is a continued trend from fiscal year 2020-21, when the net position increased by $14,630,383. Deferred Pension Outflows decreased by $16,434,668 and total liabilities decreased by $7,308,756.

Governmental Activities: The Table below represents percent of revenue by source.



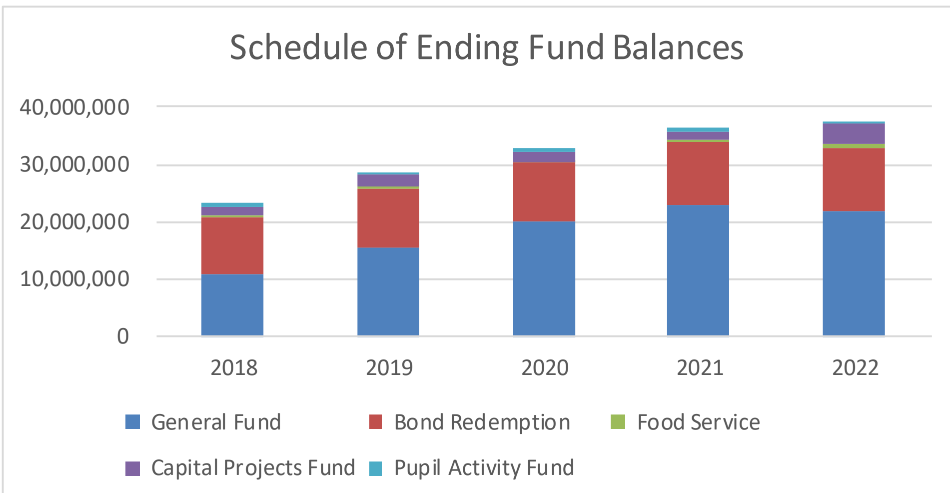
Financial Analysis of the District's Funds
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 fund 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 saw changes in the following funds which resulted in the net increase of $1.35 million in total fund balance for fiscal year 2022:

- The General Fund, and other governmental funds had net revenues of $3.4 million and $205 thousand, respectively.
- However, these were offset by net expenditures in the Bond Redemption Fund and Capital Projects Fund of $12 thousand and $2.3 million, respectively

As noted above, the District's governmental funds reported combined ending fund balances of $37,674,049 a change of $1,352,285 compared to the prior year ending fund balances.



Budget Variances in the General Fund: 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.

Budget vs. Actual Results, General Fund:

One of the most important variances to discuss is budgeted vs. actual revenues and expenditures in the General Fund. The General Fund showed a decrease in fund balance totaling $997,787. This is a unfavorable budget to actual variance of $427,030.

The District monitors variances that occur during the year, and includes a projection of year-end revenues and expenditures in the annual budget. All 2022 revenue and expenditure variances have been evaluated to determine whether they need to be included in the 2022 budget as a carryover or variance, to assure that the District is budgeting as closely as possible.

Capital Assets: The District's governmental capital assets, net of accumulated depreciation and amortization, totaled $90,189,345 as of June 30, 2022. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than $5,000 and an estimated useful life of greater than two years. The District's investment in capital assets increased government-wide, net of accumulated depreciation and amortization, and related liabilities, of $2,742,859 for fiscal year 2022 primarily due to a decrease in related in related liabilities from principal payments made during the year. The funds for capital asset additions are expended from the Capital Projects Fund and the General Fund.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on Pages D14 of this report.

Non-Current Liabilities: As of the end of the current fiscal year, the District's non-current liabilities totaled $121,242,492 which consists primarily of represents net pension and OPEB liabilities and bonded debt.

Colorado School law limits the amount of bonded indebtedness to the greater of 20% of the most current valuation for assessment of the taxable property in the District as certified by the County Assessor's Office, or 6% of the most recent actual valuation of the taxable property in the District, as certified by the County Assessor's Office. The District's legal bonded debt limit as of June 30, 2022 is $149,563,286 which represents 20% of the certified assessed value of property within Re-2's taxing district.

Additional information, as well as a detailed classification of the District's total long-term liabilities, can be found in the Notes to the Financial Statements on pages D15 – D34 of this report.

Economic Factors

The Public-School Finance Act of 1994 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 in to account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk students, amongst other factors. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

Total Program Funding = local property taxes + general specific ownership taxes + state equalization

School district finance is also significantly affected by Amendment 23, which was approved by the voters in November, 2000. This state constitutional amendment requires that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window expires, the state must increase funding at the rate of inflation. This funding calculation attempts to align Colorado districts to inflation-adjusted funding levels of 1988. The formula will also increase the District's reliance upon the state and decrease the District's reliance upon local funding over time.

Due to the two "black swan" events of the 2008 economic recession coupled with competing state constitutional funding amendments and the 2020 Covid-19 Pandemic, for a prolonged period of time the state has not been able to fund school districts at the level required by Amendment 23 of the Colorado Constitution. This funding anomaly continues to put additional strain on school district finances and the certainty of funding to be received each year. Furthermore, downward pricing pressure on natural gas and oil resources also negatively impacts assessed property values within Garfield County and the District.

The majority of the revenue in the District's General Fund, approximately 87%, comes from the State's funding formula. We will focus on that funding stream, since it accounts for such a large percentage of the District's revenue.

Economic Factors (continued)

Most school district operating revenue comes from the School Finance Act of 1994 (SFA). Under this act, the District received $8,729 per funded pupil in fiscal year 2022 with a funded pupil count of 4,698. SFA funding comes from general fund property taxes, specific ownership taxes, and state equalization. The District received 65% of SFA funding from the state and 34% from property taxes and specific ownership tax. Below is a graph that summarizes what has happened to SFA funding fiscal year 2013 to present, including student count data by year.

The annual funded student count and per student funding from fiscal year 2013 to fiscal year 2022 is as follow:

Funded Student Count and Funding by Year

Year	Funded Student Count	Per Student Funding
2012-13	4,525	$6,234
2013-14	4,632	$6,428
2014-15	4,663	$6,809
2015-16	4,700	$7,072
2016-17	4,761	$7,203
2017-18	4,715	$7,394
2018-19	4,741	$7,836
2019-20	4,837	$8,190
2020-21	4,745	$7,865
2021-22	4,698	$8,729

The District's total program per pupil funding was $8,729 for fiscal year 2022, a 10.99% increase from fiscal year 2021 to fiscal year 2022. The District's K-12 per pupil funding (PPR) for 2023 increased to $9,277 with a funded pupil count of 4,664 students.

The State of Colorado is currently reviewing its 2024 budget. The State's economic outlook will have an impact on next year's budget that is yet to be determined.

Next Year's Budget and Rates: The District's General Fund balance at the end of fiscal year June 30, 2022 totaled $21,904,800. Currently the school board targets its "Board Mandated" fund balance at a minimum of $8 million to be able to sustain the District during low cash flow months without the need to borrow from the state on a short-term basis.

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 provided in this report or requests for additional financial information should be addressed to the Garfield School District No. Re-2, District Finance Director, 839 Whiteriver Avenue, Rifle, Colorado 81650.

Garfield School District RE-2

Basic Financial Statements

Garfield School District RE-2

Statement of Net Position
June 30, 2022

ASSETS	Governmental Activities
Cash and cash equivalents	$ 40,685,002
Accounts and taxes receivable	660,553
Due from other governments	2,982,753
Prepaid expenses	1,066
Inventory	30,095
Total current assets	44,359,469
Capital assets:	
Land	1,105,238
Construction in progress	1,814,798
Buildings and improvements	181,313,360
Vehicles	4,634,415
Equipment	4,911,992
Leased assets	90,320
Less: accumulated depreciation	(103,654,435)
Less: accumulated amortization	(26,343)
Net capital assets	90,189,345
Total assets	134,548,814
DEFERRED OUTFLOWS OF RESOURCES:	
Charge on refunding	2,067,574
Other post-employment health benefits deferred outflow	608,718
Pension related deferred outflow	21,091,530
Total deferred outflows of resources	23,767,822
LIABILITIES	
Current liabilities:	
Accounts and other payables	2,172,505
Accrued salaries and benefits	2,731,631
Accrued interest	240,530
Compensated absences	1,775,907
Unearned revenue	1,450,319
Total current liabilities	8,370,892
Noncurrent liabilities:	
Due within one year:	
Bonded debt	6,630,000
Leases payable	45,274
Due in more than one year	
Bonded debt	49,502,950
Leases payable	19,295
Net other post employment liability	3,001,654
Net pension liability	62,043,319
Total noncurrent liabilities	121,242,492
Total liabilities	129,613,384
DEFERRED INFLOWS OF RESOURCES:	
Other post-employment health benefits deferred outflow	1,259,497
Pension related deferred inflow	35,127,207
Total deferred inflows of resources	36,386,704
NET POSITION	
Net investment in capital assets	33,991,826
Restricted for:	
TABOR	1,500,000
Debt service	11,123,649
Unrestricted	(54,298,927)
Total net position	$ (7,683,452)

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

GARFIELD SCHOOL DISTRICT RE-2
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total Governmental Activities**
Governmental Activities:					
Direct instruction	$ 22,964,059	$ 155,579	$ 156,888	$ -	$ (22,651,592)
Indirect instruction	3,328,635	-	-	-	(3,328,635)
Transportation	3,408,566	-	521,312	-	(2,887,254)
Custodial and maintenance	5,047,736	-	-	-	(5,047,736)
Support services	4,343,559	-	-	-	(4,343,559)
General administration	3,095,771	-	-	-	(3,095,771)
Community service	99,682	-	-	-	(99,682)
Student activities	818,724	588,129	158,301	-	(72,294)
Food service	1,391,660	13,173	1,984,321	-	605,834
Interest	1,917,094	-	-	-	(1,917,094)
Total	$ 46,415,486	$ 756,881	$ 2,820,822	$ -	(42,837,783)

General revenues:	
Taxes:	
Local property taxes - levied for general operations	13,000,719
Local property taxes - levied for debt service	8,662,161
Specific ownership taxes	1,591,463
State revenue	37,922,705
Grants and contributions not restricted to specific programs	5,769,639
Interest and investment earnings	66,468
Total general revenues and transfers	67,013,155
Change in net position	24,175,372
Net position, beginning	(31,858,824)
Net position, ending	$ (7,683,452)

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

GARFIELD SCHOOL DISTRICT RE-2
Balance Sheet
Governmental Funds
June 30, 2022

ASSETS AND OTHER DEBITS	General Fund	Bond Redemption Fund	Designated Purpose Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 25,233,681	$ 10,960,130	$ (336,902)	$ 3,948,407	$ 879,686	$ 40,685,002
Accounts and taxes receivable	245,536	163,519	-	-	258,188	667,243
Due from other governments	1,429,235	-	544,710	753,300	-	2,727,245
Prepaid expenses	1,066	-	-	-	-	1,066
Inventories	-	-	-	-	30,095	30,095
Total assets and other debits	$ 26,909,518	$ 11,123,649	$ 207,808	$ 4,701,707	$ 1,167,969	$ 44,110,651
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts and other current payables	$ 947,245	$ -	$ 1,185	$ 1,123,458	$ 51,911	$ 2,123,799
Accrued compensation	2,679,148	-	52,483	-	48,707	2,780,338
Unearned revenue	1,378,325	-	154,140	-	-	1,532,465
Total liabilities	5,004,718	-	207,808	1,123,458	100,618	6,436,602
Fund balances:						
Nonspendable:						
Prepaid expenses	1,066	-	-	-	-	1,066
Inventory	-	-	-	-	30,095	30,095
Restricted:						
TABOR	1,500,000	-	-	-	-	1,500,000
Debt service	-	11,123,649	-	-	-	11,123,649
Assigned	2,800,000	-	-	3,578,249	1,037,256	7,415,505
Unassigned	17,603,734	-	-	-	-	17,603,734
Total fund balances	21,904,800	11,123,649	-	3,578,249	1,067,351	37,674,049
Total liabilities, deferred inflows, and fund b	$ 26,909,518	$ 11,123,649	$ 207,808	$ 4,701,707	$ 1,167,969	$ 44,110,651

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

GARFIELD SCHOOL DISTRICT RE-2
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Governmental Funds Total Fund Balance			$ 37,674,049
Add:			
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 inflows in the funds.			82,146
Contributions and grants that are receivable but will not be available soon enough to pay for the current period's expenditures, and therefore, are deferred inflows in the funds.			248,820
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds:			
	Capital of capital assets	193,779,802	
	Cost of leased assets	90,320	
	Accumulated depreciation	(103,654,435)	
	Accumulated amortization	(26,343)	90,189,344
Charges such as refunding costs on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position:			
	Refunding costs		2,067,574
Less:			
bonds, long-term leases payable, accrued compensated absences, net pension liability, 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:			
	Bond debt and interest coupons	(53,855,000)	
	Leases payable	(64,569)	
	Accrued compensated absences	(1,775,907)	
	Net other post employment benefits	(3,001,654)	
	Net pension liability	(62,043,319)	
	Premiums and discounts on bonded debt	(2,277,950)	
	Accrued interest	(240,530)	(123,258,929)
Changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members.			
	Unamortized other post employment benefits deferred outflows	608,718	
	Unamortized other post employment benefits deferred inflow	(1,259,497)	
	Unamortized pension-related deferred outflows	21,091,530	
	Unamortized pension-related deferred inflows	(35,127,207)	(14,686,456)
Governmental Activities Net Position			$ (7,683,452)

The accompanying notes are an integral part of these statements.

GARFIELD SCHOOL DISTRICT RE-2
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Bond Redemption Fund	Designated Purpose Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property taxes	$ 13,000,719	$ 8,662,161	$ -	$ -	$ -	$ 21,662,880
Specific ownership taxes	1,591,463	-	-	-	-	1,591,463
State income	40,832,913	-	47,359	658,765	9,742	41,548,779
Federal income	2,164,598	-	1,046,462	410,897	1,962,520	5,584,477
Investment Income	66,468	-	-	-	-	66,468
Other	827,379	-	72,982	165,000	771,661	1,837,022
Total revenues	58,483,540	8,662,161	1,166,803	1,234,662	2,743,923	72,291,089
EXPENDITURES						
Current:						
Direct instruction	30,332,149	-	314,972	-	-	30,647,121
Indirect instruction	5,114,881	-	666,495	-	-	5,781,376
Transportation	4,105,976	-	-	-	-	4,105,976
Custodial and maintenance	6,454,472	-	-	90,371	-	6,544,843
Support services	2,772,855	-	69,702	370,614	49	3,213,220
General administration	6,009,402	-	-	-	-	6,009,402
Community service	42,626	-	115,634	-	-	158,260
Student activities	-	-	-	-	754,400	754,400
Food service	-	-	-	-	1,784,481	1,784,481
Debt service:						
Principal	-	6,555,000	-	-	-	6,555,000
Interest	-	2,110,384	-	-	-	2,110,384
Other	-	8,500	-	-	-	8,500
Lease obligations	-	-	-	38,866	-	38,866
Capital outlay	248,966	-	-	3,068,329	-	3,317,295
Total expenditures	55,081,327	8,673,884	1,166,803	3,568,180	2,538,930	71,029,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,402,213	(11,723)	-	(2,333,518)	204,993	1,261,965
OTHER FINANCING SOURCES (USES)						
Issuance of leases	-	-	-	90,320	-	90,320
Transfers in (out)	(4,400,000)	-	-	4,400,000	-	-
Total other financing sources (uses)	(4,400,000)	-	-	4,490,320	-	90,320
NET CHANGE IN FUND BALANCES	(997,787)	(11,723)	-	2,156,802	204,993	1,352,285
FUND BALANCES, BEGINNING	22,902,587	11,135,372	-	1,421,447	862,358	36,321,764
FUND BALANCES, ENDING	$ 21,904,800	$ 11,123,649	$ -	$ 3,578,249	$ 1,067,351	$ 37,674,049

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

GARFIELD SCHOOL DISTRICT RE-2
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			$ 1,352,285
Add:			
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.			2,456,886
Debt and capital lease principal payments and transfer to refunding escrow result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments and refunding of bond premium as reductions against long-term liabilities.			6,555,000
Payment of long-term lease payables are expenditures in governmental funds, but result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments as reductions again long-term liabilities.			25,751
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, including capital leases, issued during the year.			
	Lease proceeds	(90,320)	(90,320)
Accrued compensated absences 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.			(263,428)
The costs of advanced refunding of bonds is expensed on the funds, but is capitalized and amortized over the life of the bonds on the government-wide financial statements. Also, accrued interest is recorded as incurred instead of when paid on the funds. This is the impact on interest expense from these items.			193,290
Changes in the District's net post-employment health benefits obligation 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 District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment health benefits related deferrals.			276,341
The net pension liability and related deferrals reported in the Statement of Activities do not require the use of current financial resources. This is the difference between employer contributions to the pension plan and the change in the pension liability and amortization of pension deferrals.			20,627,781
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 and amortization expense. This represents the total depreciation expense, including amortization expense on leased assets, reported as an expenditure in the governmental activities' functions.			
	Deprecation expense	(6,931,871)	
	Amortization expense	(26,343)	(6,958,214)
Governmental Activities Change in Net Position			$ 24,175,372

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

Garfield School District RE-2

Notes to the Financial Statements

I. Summary of Significant Accounting Policies

Garfield School District RE-2 (the "District") is one of three public school districts within Garfield County, Colorado. The District provides academic and vocational curriculum, student transportation, food services, athletic and cultural extracurricular activities, maintenance and general administrative services. The District's boundaries include the towns of New Castle, Silt and Rifle. The District's mission is to *"provide engaging educational experiences in a safe environment for students and staff which results in exemplary learning and teaching".* The District operates the following schools:

Elementary Schools	**Middle Schools**	**High School**
Wamsley Elementary	Riverside Middle School	Rifle High School
Kathryn Senor	Rifle Middle School	Coal Ridge High School
Cactus Valley Elementary		
Highland Elementary		
Graham Mesa Elementary		
Elk Creek Elementary		

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 a 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 not financially accountable for any other organization. No additional separate governmental units, agencies or nonprofit organizations are included in the financial statements of 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.

I. Summary of Significant Accounting Policies (continued)

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 funds). Both the District-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no business-type activities.

1. District-wide Financial Statements

In the District-wide Statement of Net Position, the governmental column is (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 – net investment in capital assets; restricted; and unrestricted.

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 or a business-type activity. 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, including fiduciary funds. 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.

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.

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

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

The *Designated Purpose Grant Fund* accounts for various grants received by the District.

The *Capital Projects Fund* accounts for acquisitions of capital items.

The District reports the following non-major governmental funds:

The *Pupil Activity Fund* accounts for transactions related to student activities.

The *Food Service Fund* accounts for activity related to student meals.

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.

1. Long-term Economic Focus and Accrual Basis

The governmental activities in the government-wide financial statements and fiduciary 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 an 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.

I. Summary of Significant Accounting Policies (continued)

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

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.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

2. Investments

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

The District's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent calendar year. In accordance with GAAP, the assessed but uncollected property taxes, if any, have been recorded as a receivable and a deferred inflow.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Inventory

Inventory is valued at lower of cost or market, using the first-in, first-out method. Inventory in the Food Services Fund consists of food and non-food items purchased in advance of consumption.

6. Interfund Receivables and Payables

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

7. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, equipment, and vehicles, are the governmental activity columns 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 estimated fair 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 capital assets, as applicable. Capital outlay for projects is capitalized as projects are constructed.

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

Assets	Years
Buildings and improvements	10 - 50
Equipment	5 - 20
Vehicles	10

8. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has three items, charge on refunding, pension, and other post-employment related deferred outflows, which qualify for reporting under this category on the Statement of Net Position. A charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Outflows and Inflows of Resources (continued)

Deferred inflows of resources represent an acquisition of net assets 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, unavailable property taxes on the Governmental Funds Balance Sheet and pension 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 (G and H) below for discussion on pension and Other Post-Employment Benefits (OPEB) related deferred outflows and inflows.

9. Pensions

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2022.

10. Defined Benefit Other Post Employment Benefit (OPEB) Plan

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. 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 activity's column in the District-wide financial statements. Vested or accumulated leave of the proprietary fund type is recorded as an expense and a liability of that fund as the benefits accrue to employees. In accordance with provisions of GASB No. 16, *Accounting for Compensated Absences,* no liability is recorded for non-vesting accumulating rights.

12. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

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. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the fund financial statements.

13. Fund Balance 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.

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.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Fund Balance Classifications (continued)

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 has a formal minimum fund balance policy requiring $8,000,000 of total fund balance for the General Fund. However, the District's budget includes a calculation of targeted reserve positions, and the Administration calculates targets and reports them annually to the Board of Education.

In addition to the above note disclosure, GASB 54 requires disclosure of the following fund definitions.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Fund Balance Classifications (continued)

General Fund – The general fund is used to account for and report all financial resources not accounted for and reported 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 expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

14. 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.

15. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

16. 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.

II. 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 The Bank of New York Mellon Trust Company, N.A. in order to meet this requirement.

B. Budgetary Information

Budgets are adopted on a basis consistent with GAAP, unless noted otherwise. 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 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 District 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.

During the year, supplemental appropriation resolutions were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

At year end June 30, 2022, the District's actual expenditures, exceeded budgeted expenditures in the funds below, this may be a violation of state statute.

	Final Budget	Actual	Expenditures in excess of budget
General Fund	$ 58,064,149	59,481,327	1,417,178
Food Service Fund	1,730,017	1,784,481	54,464

II. Stewardship, Compliance, and Accountability (continued)

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.

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 $1,500,000 of its June 30, 2022 fund balances for this purpose.

In 1998, the District's electorate approved the following ballot question: *"Without any increase in its property tax mill levy, shall Garfield School District No. Re-2 be authorized to collect, retain, and expend all revenues and other funds collected in this fiscal year and in each fiscal year hereafter from any source, including without limitation the full revenue authorized under the Colorado Public School Finance Act of 1994, as amended, or under any successor act, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution?".*

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.

III. Detailed Notes on All Funds

A. Deposits and Investments

The District maintains a cash pool in which all funds participate. Each fund's position in this pool is a component of "Cash and Cash Equivalents" as displayed on the Statement of Net Position. In addition, several of the District's funds may include cash and investments held separately that are restricted for various purposes.

The District's deposits are entirely covered by federal depository insurance ("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 for interest-bearing accounts. Non-interest-bearing accounts are fully insured. Deposit balances for interest-bearing accounts over $250,000 are collateralized as required by PDPA.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The District is governed by the deposit and investment limitations of state law. The deposits and investments at June 30, 2022, are as follows:

			Maturities	
Type:	**Standard & Poors Rating**	**Balance**	**Less Than One Year**	**Less Than Five Years**
Deposits:				
Petty cash	Not rated	$ 7,262	$ 7,262	$ -
Checking accounts	Not rated	339,397	339,397	-
Investments:				
Investment pools	AAAm	29,095,496	29,095,496	-
Cash with fiscal agent	Not rated	11,242,847	11,242,847	-
		$ 40,685,002	$ 40,685,002	$ -

Fair Value of Investments

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

- *Level 1:* Quoted prices for <u>identical</u> investments in <u>active</u> markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2022, the District had the following recurring measurements:

Investments Measured at Net Asset Value	**Total**
ColoTrust	4,091,076

Investments Measured at Amortized Cost	**Total**
CSAFE	25,004,420

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using quoted prices for identical securities in markets that are not active. Level 3 items are valued using consensus pricing, management's estimate, and appraisal services.

The Investment Pool represents investments in Colorado Government Liquid Asset Trust ("COLOTRUST") and Colorado Surplus Asset Fund Trust ("CSAFE"). The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At June 30, 2022, the District's investments in COLOTRUST were 10% of the District's investment portfolio. The District's investments in CSAFE were 62% of the District's investment portfolio.

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. The District's formal investment policy limits investment maturities as required by state statutes as 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.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. The District places no limit on the amount it may invest in any one issuer.

B. Receivables and Unavailable Revenue

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

	General Fund	Bond Redemption Fund	Designated Purpose Grants Fund	Capital Projects Fund	Other Governmental Funds
Receivables:					
Taxes	$ 245,536	$ 163,519	$ -	$ -	$ -
Accounts	-	-	-	-	2,679
Intergovernmental	1,429,235	-	544,710	753,300	255,509
Gross receivables	1,674,771	163,519	544,710	753,300	258,188
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	$ 1,674,771	$ 163,519	$ 544,710	$ 753,300	$ 258,188

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. This includes unavailable revenue for property taxes levied in fiscal year 2022 but not available until 2023.

III. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,105,238	$ -	$ -	$ 1,105,238
Construction in progress	-	1,814,798	-	1,814,798
Total capital assets, not being depreciated	1,105,238	1,814,798	-	2,920,036
Other capital assets:				
Buildings and improvements	181,134,328	179,032	-	181,313,360
Vehicles	4,639,866	46,983	(52,434)	4,634,415
Equipment	4,586,239	325,753	-	4,911,992
Leaded buildings	-	90,320	-	90,320
Total other capital assets	190,360,433	642,088	(52,434)	190,950,087
Total capital assets - Cost	191,465,671	2,456,886	(52,434)	193,870,123
Less accumulated depreciation for:				
Buildings and improvements	(89,653,995)	(6,449,563)	-	(96,103,558)
Vehicles	(3,603,680)	(208,731)	52,434	(3,759,977)
Equipment	(3,517,323)	(273,577)	-	(3,790,900)
Less accumulated amortization for leased assets:	-	(26,343)	-	(26,343)
Total accumulated depreciation & amortization	(96,774,998)	(6,958,214)	52,434	(103,680,778)
Governmental activities capital assets, net	$ 94,690,673	$ (4,501,328)	$ -	$ 90,189,345

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

	Capital Outlay	Depreciation and Amortization Expense
Governmental activities:		
Direct instruction	$ 2,093,362	$ 5,989,016
Student activities	116,861	48,698
Food Service	-	23,425
Transportation	-	14,089
Support services	246,663	882,986
Total - governmental activities	$ 2,456,886	$ 6,958,214

III. Detailed Notes on All Funds (continued)

D. Interfund Transfers

Transfers for fiscal year 2022 were as follows:

Transfer In (Out)	Amount		Transfer Purpose
General Fund	$	(4,400,000)	To fund District projects
Capital Projects Fund		4,400,000	To help fund capital acquisitions
Total	$	-	

E. Leases Payable

Related to leased assets, the District has the following outstanding agreements as of June 30, 2022:

Modular Leases – In 2022, the District entered into three 24-month lease agreements with Williams Scotsman for three modular classrooms. The leases call for monthly payments totaling $3,889.64, and bears interest of 3.19%.

Leased asset payment requirements at June 30, 2022 were as follows:

Fiscal	Leases Payable			
Year Ending		Total Principal		Total Interest
2023	$	45,274	$	1,402
2024		19,295		154
Total	$	64,569	$	1,556

F. Long-term Debt

All general obligation bonds outstanding are serviced by the Bond Redemption Fund.

1. General Obligation Bonds, Series 2009

On January 28, 2009, the District issued General Obligation Bonds, Series 2009 in the amount of $9,700,000. The issuance also included $285,000 of supplemental interest coupons. Proceeds from the bonds were used to finance the acquisition, construction, installation and equipping of upgrades to District buildings. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 4.15% to 5.00% and are subject to early redemption on or after December 1, 2019. The District's debt matures in 2028. These bonds were refunded through issuance of General Obligation Refunding Bonds, Series 2019

2. General Obligation Refunding Bonds, Series 2009B

On December 29, 2009, the District issued General Obligation Refunding Bonds, Series 2009B in the amount of $16,065,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2001, 2002, and 2003. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 2.50% to 5.00% and are not subject to early redemption. The District's debt matures in 2021. A portion of the 2005 General Obligation Bonds were redeemed via a refunding through the issuance of General Obligation Refunding Bonds, Series 2016.

III. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

3. General Obligation Refunding Bonds, Series 2010

On July 29, 2010, the District issued General Obligation Refunding Bonds, Series 2010 in the amount of $13,865,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2003. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 2.00% to 4.00%. Certain bonds are subject to early redemption, without premium, at the option of the District. The District's debt matures in 2025. A portion of the 2010 General Obligation Refunding Bonds were redeemed via a refunding through the issuance of General Obligation Refunding Bonds, Series 2020.

4. General Obligation Refunding Bonds, Series 2012

On February 20, 2012, the District issued General Obligation Refunding Bonds, Series 2012 in the amount of $17,195,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2006. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 2.00% to 5.00%. Certain bonds are subject to early redemption, without premium, at the option of the District. The debt matures in 2024.

5. General Obligation Refunding Bonds, Series 2013A&B

On January 15, 2013, the District issued General Obligation Refunding Bonds, Series 2013A&B. The Series A bonds were issued in the amount of $9,445,000. The Series B bonds were issued in the amount of $11,360,000 and are taxable general obligation refunding bonds. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 2.00% to 3.05%. The bonds maturing on and before December 1, 2022 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2027.

6. General Obligation Refunding Bonds, Series 2014

On February 26, 2014, the District issued General Obligation Refunding Bonds, Series 2014. The bonds were issued in the amount of $8,925,000 and the proceeds were used to partially refund General Obligation Bonds, Series 2006 and 2007. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 1.5% to 3.5%. The bonds maturing on and before December 1, 2023 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2023.

7. General Obligation Refunding Bonds, Series 2015

On February 11, 2015, the District issued General Obligation Refunding Bonds, Series 2014. The bonds were issued in the amount of $8,820,000 and the proceeds were used to partially refund General Obligation Bonds, Series 2006 and 2007. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 1.5% to 4.0%. The bonds maturing on and before December 1, 2025 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2027.

III. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

8. General Obligation Refunding Bonds, Series 2016

On January 6, 2016, the District issued General Obligation Refunding Bonds, Series 2016. The bonds were issued in the amount of $8,900,000 and the proceeds were used to partially refund General Obligation Bonds, Series 2005 and 2009. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 2.0% to 4.0%. The bonds maturing on and before December 1, 2018 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2028.

9. General Obligation Refunding Bonds, Series 2019

On June 12, 2019 the District issued General Obligation Refunding Bonds, Series 2019. The bonds were issued in the amount of $1,980,000 and the proceeds were used to refund the General Obligation Bond, series 2009. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 3.0% to 4.0%. The bonds maturing on and before December 1, 2028 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2028.

10. General Obligation Refunding Bonds, Series 2020

On October 28, 2020 the District issued General Obligation Refunding Bonds, Series 2020. The bonds were issued in the amount of $11,800,000 and the proceeds were used to partially refund the General Obligation Bond, Series 2010. The bonds are issued in denominations of $5,000 and bear interest rates ranging from 1.00% to 5.00%. The bonds are not subject to early redemption prior to their respective maturity dates. The debt matures in 2025. The refunding provided the District an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,388,905.

11. Defeasance of Debt

As noted above, proceeds of the 2009B, 2010, 2012, 2013A&B, 2014, 2015, 2016, 2019, and 2020 refunding bond issuances were used to purchase U.S. government securities to retire previous bond issues. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The amount of the District's defeased debt is not readily determinable.

III. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

12. Schedule of Future Payments

The District's aggregate annual debt service requirements at June 30, 2022, are as follows:

Fiscal Year Ending	Bonded Debt & Int. Coupons Total Principal	Total Interest
2023	$ 6,630,000	$ 1,835,735
2024	6,880,000	1,545,305
2025	7,225,000	1,230,843
2026	7,600,000	951,668
2027	8,240,000	698,815
2028 - 2029	17,280,000	636,975
Total	$ 53,855,000	$ 6,899,341
Add: Unamortized bond premium	2,277,950	
Total debt	$ 56,132,950	

13. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	(Reductions)	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
G.O. Bonds, Series 2009B	$ 1,690,000	$ -	$ (1,690,000)	$ -	$ -
G.O. Refunding Bonds, Series 2012	12,745,000	-	(3,820,000)	8,925,000	2,870,000
G.O. Refunding Bonds, Series 2013	8,820,000	-	(80,000)	8,740,000	80,000
G.O. Taxable Refunding Bonds, Series 2013	10,300,000		(135,000)	10,165,000	140,000
G.O. Refunding Bonds, Series 2014	2,435,000	-	(790,000)	1,645,000	810,000
G.O. Refunding Bonds, Series 2015	3,765,000	-	-	3,765,000	-
G.O. Refunding Bonds, Series 2016	7,175,000	-	-	7,175,000	-
G.O. Refunding Bonds, Series 2019	1,880,000	-	(40,000)	1,840,000	40,000
G.O. Refunding Bonds, Series 2020	11,600,000	-	-	11,600,000	2,690,000
Total General Obligation Bonds	60,410,000	-	(6,555,000)	53,855,000	6,630,000
Leases payable	-	90,320	(25,751)	64,569	45,274
Accrued compensated absences	1,512,479	1,775,907	(1,512,479)	1,775,907	1,775,907
Net OPEB liability	3,423,299	-	(421,645)	3,001,654	-
Net pension liability	94,250,870	-	(32,207,551)	62,043,319	-
Total	$ 159,596,648	$ 1,866,227	$ (40,722,426)	$ 120,740,449	$ 8,451,181

III. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

13. Changes in Long-term Debt (continued)

In 2005, the District signed a Debt Service Forward Delivery Agreement with JP Morgan Trust Company. The agreement provided for a one-time payment to the District for $615,000. The agreement proceeds were utilized for the construction of District school buildings. The agreement effectively allows for the sale of a portion of District future investment income through July 1, 2025. Future pledged revenue amounts due under this agreement are as follows:

Fiscal Year Ending:		Total
2023	$	48,723
2024		48,723
2025		48,723
2026		12,817
Total	$	158,986

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

Benefits provided as of December 31, 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.

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

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

III. Detailed Notes on All Funds (continued)

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

Benefits provided as of December 31, 2021 (continued): The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools ("DPS") benefit structure is the greater of the:

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

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

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

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

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

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

III. Detailed Notes on All Funds (continued)

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

Contribution provisions as of June 30, 2022: Eligible employees of the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through June 30, 2022
Employer Contribution Rate	10.90%
Amount of the Employer Contribution apportioned to the Health Care Turst 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 Disbursment (SAED as presented in C.R.S 24-51-411)	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

** Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 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 $6,467,959 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 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 ("TPL") used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

III. Detailed Notes on All Funds (continued)

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

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

At June 30, 2022, the District reported a liability of $62,043,319 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the 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	$	62,043,319
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		478,679
Total	$	62,521,998

At December 31, 2021, the District's proportionate share was 0.5331%, as compared to its proportionate share of 0.6234% at December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense (revenue) of ($20,627,782) and revenue (expense) of $759,347 for support from the State as a nonemployer contributing entity.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,375,267	$ -
Changes of assumptions or other inputs	4,736,544	-
Net difference between projected and actual earnings on pension plan investments	-	23,326,434
Changes in proportionate share of contributions	10,787,613	11,800,773
Contributions subsequent to the measurement date	3,192,106	-
Total	$ 21,091,530	$ 35,127,207

III. Detailed Notes on All Funds (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (continued): $21,091,530 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:

Year ended June 30:		
2023	$	958,606
2024		(8,153,911)
2025		(7,201,148)
2026		(2,831,330)
	$	(17,227,783)

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

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

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

The 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.

III. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): 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.

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

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

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

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

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

Asset Class	Target Allocation	30 year expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
	100.00%	

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

III. Detailed Notes on All Funds (continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in 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.

I. Detailed Notes on All Funds (continued)

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

Discount rate (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 one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective net pension liability	17,129,251,000	11,637,366,000	7,054,593,000
Proportionate share of net pension liability	91,322,691	62,043,319	37,610,776

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

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

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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the 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.

III. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

III. Detailed Notes on All Funds (continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $327,455 for the year ended June 30, 2022.

Liabilities: At June 30, 2022, the District reported a liability of $3,001,654 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability ("TOL") used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportionate share was 0.3481%, as compared to its proportionate share of 0.3603% at December 31, 2020.

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2022, the District recognized OPEB expense (revenue) of ($276,341). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,574	$ 711,729
Changes of assumptions or other inputs	62,146	162,822
Net difference between projected and actual earnings on pension plan investments	-	185,803
Changes in proportionate share of contributions	377,189	167,207
Difference between actual and reported contributions recognized	1,035	31,936
Contributions subsequent to the measurement date	163,774	-
Total	$ 608,718	$ 1,259,497

III. Detailed Notes on All Funds (continued)

H. 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 (continued): $163,774 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:

Year ended June 30:		
2023	$	(211,078)
2024		(229,549)
2025		(196,845)
2026		(119,966)
2024		(48,920)
2025		(8,194)
	$	(814,552)

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% - 5.30%
State Troopers	3.20% - 2.40%	N/A	3.20% - 12.40%	N/A
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation		7.25%		
Discount rate		7.25%		
Health care cost trend rates				
PERA Benefit Structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029		
Medicare Part A premiums		3.75% in 2021, gradually increasing to 4.50% in 2029		
DPS Benefit Structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		N/A		
Medicare Part A premiums		N/A		

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

III. Detailed Notes on All Funds (continued)

H. 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 2021 for the PERA Benefit Structure:

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

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

III. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the 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.

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.

III. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

III. Detailed Notes on All Funds (continued)

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

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

Asset Class	Target Allocation	30 year expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Collective Net OPEB Liability	$ 837,542,000	$ 862,305,000	$ 890,991,000
District's Share of Net OPEB Liability	2,915,455	3,001,654	3,101,509

III. Detailed Notes on All Funds (continued)

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective Net OPEB Liability	$ 837,542,000	$ 862,305,000	$ 890,991,000
Proportionate Share of Net OPEB Liability	2,915,455	3,001,654	3,101,509

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

III. Detailed Notes on All Funds (continued)

I. Fund Balances

At June 30, 2022 fund balances were assigned in the following funds:

General Fund	$	2,800,000
Capital projects	$	3,578,249
Food service	$	537,866
Pupil activities	$	499,390

The assigned fund balance in the General Fund is set aside for a major renovation in fiscal year 2022-23. There is potential grant assistance for this project.

J. Deficit Net Position

At June 30, 2022, the District had a deficit net position of $7,683,452.

IV. Other Information

A. Insurance

All District employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the District for premiums from the termination date of coverage and monthly thereafter. No cost to the District is recognized as employees reimburse 100% of their premium costs.

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.

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.

IV. Other Information (continued)

D. Jointly Governed Organization - BOCES

The District, together with other school districts, participates in the Colorado River BOCES (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. Administrative costs are borne equally by the districts. Administrative costs and services by BOCES are charged to each district based upon individual needs and the student population.

The Board of the BOCES consists of one member of the board of education of each participating district. Each district has equal voting rights in the decisions of the BOCES.

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 and Deferred Outflows	$	5,904,104
Liabilities and Deferred Inflows		(8,806,611)
Net Position	$	(2,902,507)
Expenses	$	(11,464,241)
Program Revenues		12,545,310
Change in Net Position		1,081,069
Net Position - Beginning		(3,983,576)
Net Position - Ending	$	(2,902,507)

For the year ended June 30, 2022 and 2021, the District made operating contributions of $2,851,169 and $640,150, respectively.

E. Defined Contribution Pension Plan – Voluntary Investment Program

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

Funding Policy: The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contribution and investment earnings. At year end June 30, 2022, member contributions were $130,980.

V. New Financial Reporting Standard

In 2022, the District implemented Governmental Accounting Standards No. 87, *Leases*. The statement requires recognition of certain leases assets, liabilities and receivables for leases that were previously classified as operating leases and recognized as outflows of resources or inflows of resources based on the payment provisions of the contract.

Garfield School District RE-2

Required Supplementary Information

Garfield School District RE-2
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget- Positive	Actual
REVENUES	Original	Final	Amounts	(Negative)	Amounts
Taxes:					
Property taxes	$ 13,127,080	$ 13,127,080	$ 13,000,719	$ (126,361)	$ 13,606,080
Specific ownership taxes	1,200,000	1,200,000	1,591,463	391,463	1,587,801
State income	35,057,331	35,057,331	40,832,913	5,775,582	36,525,369
Federal income	5,864,836	5,864,836	2,164,598	(3,700,238)	6,356,343
Investment income	513,715	513,715	66,468	(447,247)	43,413
Other	1,231,973	1,231,973	827,379	(404,594)	387,877
Total revenues	56,994,935	56,994,935	58,483,540	1,488,605	58,506,883
EXPENDITURES					
Current:					
Direct instruction	28,898,760	28,948,981	30,332,149	(1,383,168)	28,567,197
Indirect instruction	9,272,482	9,277,632	5,114,881	4,162,751	7,726,777
Transportation	1,855,198	1,860,198	4,105,976	(2,245,778)	2,343,811
Custodial and maintenance	5,697,875	5,697,875	6,454,472	(756,597)	6,093,154
Support services	2,481,632	2,543,032	2,772,855	(229,823)	3,328,001
General administration	5,311,430	5,311,430	6,009,402	(697,972)	5,670,219
Community service	15,000	15,000	42,626	(27,626)	30,008
Interest and fiscal charges	-	-	-	-	249,228
Capital Outlay	10,000	10,000	248,966	(238,966)	263,397
Total expenditures	53,542,377	53,664,148	55,081,327	(1,417,179)	54,271,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,452,558	3,330,787	3,402,213	71,426	4,235,091
OTHER FINANCING (USES)					
Debt proceeds	498,456	498,456	-	(498,456)	-
Transfers (out)	(4,400,000)	(4,400,000)	(4,400,000)	-	(1,414,157)
Total other financing (uses)	(3,901,544)	(3,901,544)	(4,400,000)	(498,456)	(1,414,157)
NET CHANGE IN FUND BALANCES	$ (448,986)	$ (570,757)	(997,787)	$ (427,030)	2,820,934
FUNDS BALANCES, BEGINNING - BUDGET BASIS	-	-	22,902,587		20,081,653
FUND BALANCES, ENDING - BUDGET BASIS	(448,986)	(570,757)	21,904,800		$ 22,902,587
RECONCILIATION TO GAAP BASIS:					
ADJUSTMENTS					
Pension direct distribution - Special Funding	-	-	759,347		-
Pension expense - Special Funding	-	-	(759,347)		-
FUND BALANCES, ENDING - GAAP BA	$ (448,986)	$ (570,757)	$ 21,904,800		$ 22,902,587

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

GARFIELD SCHOOL DISTRICT RE-2
Designated Purpose Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget- Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
State income	$ -	$ -	$ 47,359	$ 47,359	$ 13,257
Federal income	937,755	937,755	1,046,462	108,707	798,625
Other sources	244,356	334,356	72,982	(261,374)	54,904
Total revenues	1,182,111	1,272,111	1,166,803	(105,308)	866,786
EXPENDITURES					
Current:					
Direct instruction	378,298	378,298	314,972	63,326	268,944
Indirect instruction	803,813	803,813	666,495	137,318	597,534
Support services	-	-	69,702	(69,702)	-
Community service	-	90,000	115,634	(25,634)	308
Total expenditures	1,182,111	1,272,111	1,166,803	105,308	866,786
NET CHANGE IN FUND BALANCES	$ -	$ -	-	$ -	-
FUND BALANCES, BEGINNING	-	-	-		-
FUND BALANCES, ENDING	$ -	$ -	$ -		$ -

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

Garfield School District RE-2
Schedule of Employer's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
District's proportion of the net pension liability	0.5331%	0.6234%	0.5286%	0.5286%	0.5646%	0.5710%	0.5745%	0.5716%	0.5721%
District's proportionate share of the net pension liability	$ 62,043,319	$ 94,250,870	$ 78,972,174	$ 85,470,521	$ 182,586,661	$ 170,006,079	$ 87,866,198	$ 77,470,936	$ 72,966,025
States proportionate share of net pension liability as a nonemployer contributing entity associated with the District	759,347	-	758,663	694,123	-	-	-	-	-
Total proportionate share of net pension liability associated with the District	$ 62,802,666	$ 94,250,870	$ 79,730,837	$ 86,164,644	$ 182,586,661	$ 170,006,079	$ 87,866,198	$ 77,470,936	$ 72,966,025
District's covered payroll	$ 33,319,231	$ 31,989,972	$ 30,525,765	$ 25,639,367	$ 25,639,367	$ 25,627,091	$ 25,036,690	$ 23,945,915	$ 23,115,932
District's proportionate share of the net pension liability as a percentage of its covered payroll	186%	295%	259%	333%	712%	663%	351%	324%	316%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.13%	43.13%	59.16%	62.84%	64.07%

* 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.

Garfield School District RE-2
Schedule of District Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 6,380,314	$ 6,545,074	$ 5,981,385	$ 5,076,369	$ 4,852,460	$ 4,646,192	$ 4,338,863	$ 3,934,315	$ 3,581,457
Contributions in relation to the contractually required contribution	$ (6,380,314)	$ (6,545,074)	$ (5,981,385)	$ (5,076,369)	$ (4,852,460)	$ (4,646,192)	$ (4,338,863)	$ (3,934,315)	$ (3,581,457)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 32,103,430	$ 31,989,972	$ 30,525,765	$ 29,299,506	$ 25,639,367	$ 25,627,091	$ 25,036,690	$ 23,945,915	$ 23,115,932
Contributions as a percentage of covered payroll	19.87%	20.46%	19.59%	17.33%	18.93%	18.13%	17.33%	16.43%	15.49%

* Information is only available beginning in fiscal year 2014.

Garfield School District RE-2
Schedule of District's Proportionate Share of the OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.3481%	0.3603%	0.3456%	0.3138%	0.3208%	0.3246%
District's proportionate share of the net OPEB liability	3,001,654	3,423,299	3,884,091	4,268,731	4,169,507	4,079,034
District's covered payroll	$ 33,319,231	$ 31,989,972	$ 30,525,765	$ 29,299,506	$ 25,639,367	$ 25,627,091
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	9%	11%	13%	15%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* 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.

Garfield School District RE-2
Schedule of District's OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 327,455	$ 339,814	$ 316,928	$ 270,669	$ 265,674	$ 261,396
Contributions in relation to the contractually required contribution	$ (327,455)	$ (339,814)	$ (316,928)	$ (270,669)	$ (265,674)	$ (261,396)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 32,103,430	$ 31,989,972	$ 30,525,765	$ 29,299,506	$ 25,639,367	$ 25,627,091
Contributions as a percentage of covered payroll	1.02%	1.06%	1.04%	0.92%	1.04%	1.02%

* Information is only available beginning in fiscal year 2017.

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, 2020 actuarial valuation:

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

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

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% 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% 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.
- 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% 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.
- 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% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables descried above are generational mortality tables on a head-count weighted basis.

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

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

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

- The single equivalent interest rate ("SEIR") was increased from 4.78% to 7.25% 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.

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

A. Changes to assumptions or other inputs (continued)

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

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

6. Changes since the December 31, 2015 actuarial valuation:

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

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

A. Changes to assumptions or other inputs (continued)

6. Changes Since the December 31, 2014 actuarial valuation (continued):

- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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.

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

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

No changes during the years presented.

Garfield School District RE-2

Supplementary Information

GARFIELD SCHOOL DISTRICT RE-2
Debt Service Fund
Bond Redemption Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget- Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Taxes:					
Property taxes	$ 8,796,741	$ 8,796,741	$ 8,662,161	$ (134,580)	$ 9,758,484
Investment Income	40,000	-	-	-	(18,220)
Total revenues	8,836,741	8,796,741	8,662,161	(134,580)	9,740,264
EXPENDITURES					
Debt service:					
Principal	7,639,421	7,639,421	6,555,000	1,084,421	6,600,000
Interest	1,117,320	1,117,320	2,110,384	(993,064)	2,161,263
Fiscal charges	80,000	80,000	8,500	71,500	149,773
Total expenditures	8,836,741	8,836,741	8,673,884	162,857	8,911,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(40,000)	(11,723)	28,277	829,228
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	11,800,000
Premium on bonds	-	-	-	-	1,632,855
Payment to refunded bond escrow agen	-	-	-	-	(13,285,467)
Total other financing sources	-	-	-	-	147,388
NET CHANGE IN FUND BALANCES	-	(40,000)	(11,723)	$ 28,277	976,616
FUND BALANCES, BEGINNING	10,157,692	10,158,756	11,135,372		10,158,756
FUND BALANCES, ENDING	$ 10,157,692	$ 10,118,756	$ 11,123,649		$ 11,135,372

The accompanying notes are integral part of these financial statements.

GARFIELD SCHOOL DISTRICT RE-2
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts			Variance with Final Budget- Positive	
	Original	Final	Actual Amounts	(Negative)	Actual Amounts
REVENUES					
State income	$ -	$ 2,146,572	$ 658,765	$ (1,487,807)	$ 37,005
Federal income	-	-	410,897	410,897	-
Other revenue	-	-	165,000	165,000	863,572
Total revenues	-	2,146,572	1,234,662	(911,910)	900,577
EXPENDITURES					
Major renovations	3,803,000	5,942,973	2,623,532	3,319,441	634,354
Capital equipment	306,000	430,000	307,495	122,505	574,135
Vehicles	250,000	250,000	46,983	203,017	234,252
Other equipment / services	92,000	182,000	551,304	(369,304)	1,090,713
Lease obligations	63,000	63,000	38,866	24,134	-
Total expenditures	4,514,000	6,867,973	3,568,180	3,299,793	2,533,454
EXCESS (DEFICIENCY) OF REVENUES (OVER) EXPENDITURES	(4,514,000)	(4,721,401)	(2,333,518)	2,387,883	(1,632,877)
OTHER FINANCING SOURCES					
Issuance of leases	-	90,000	90,320	320	-
Transfers in (out)	4,400,000	4,400,000	4,400,000	-	1,100,000
Total other financing sources	4,400,000	4,490,000	4,490,320	320	1,100,000
NET CHANGE IN FUND BALANCES	(114,000)	(231,401)	2,156,802	$ 2,388,203	(532,877)
FUND BALANCES, BEGINNING	1,689,851	1,954,324	1,421,447		1,954,324
FUND BALANCES, ENDING	$ 1,575,851	$ 1,722,923	$ 3,578,249		$ 1,421,447

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

GARFIELD SCHOOL DISTRICT RE-2
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Pupil Activity Fund	Food Service Fund	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	535,762	343,924	879,686
Accounts, taxes, and interest receivable	2,679	255,509	258,188
Inventories	-	30,095	30,095
Total assets	538,441	629,528	1,167,969
LIABILITIES			
Liabilities:			
Accounts payable	39,051	12,860	51,911
Accrued compensation	-	48,707	48,707
Total liabilities	39,051	61,567	100,618
FUND BALANCES			
Nonspendable:			
Inventory	-	30,095	30,095
Restricted:			
Assigned	499,390	537,866	1,037,256
Total fund balances	499,390	567,961	1,067,351
Total liabilities, deferred inflows, and fund balances	538,441	629,528	1,167,969

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

GARFIELD SCHOOL DISTRICT RE-2
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Pupil Activity Fund	Food Service Fund	Total Non-Major Governmental Funds
REVENUES			
State income	$ -	$ 9,742	$ 9,742
Federal income	-	1,962,520	1,962,520
Other sources	746,430	25,231	771,661
Total revenues	746,430	1,997,493	2,743,923
EXPENDITURES			
Support services	49	-	49
Food service operations	-	1,784,481	1,784,481
Student activities	754,400	-	754,400
Total expenditures	754,449	1,784,481	2,538,930
NET CHANGE IN FUND BALANCES	(8,019)	213,012	204,993
FUND BALANCES, BEGINNING	507,409	354,949	862,358
FUND BALANCES, ENDING	$ 499,390	$ 567,961	$ 1,067,351

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

GARFIELD SCHOOL DISTRICT RE-2
Pupil Activity Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts			Variance with Final Budget-	
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Programs	$ 835,000	$ 835,000	$ 746,430	$ (88,570)	$ 429,057
Total revenues	835,000	835,000	746,430	(88,570)	429,057
EXPENDITURES					
Indirect instruction	200	200	-	200	-
Support services	-	-	49	(49)	-
Student activities	754,800	795,480	754,400	41,080	434,273
Total expenditures	755,000	795,680	754,449	41,231	434,273
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	80,000	39,320	(8,019)	(47,339)	(5,216)
OTHER FINANCING SOURCES					
Operating transfers in	-	-	-	-	29,157
Total other financing sources	-	-	-	-	29,157
NET CHANGE IN FUND BALANCES	80,000	39,320	(8,019)	$ (47,339)	23,941
FUND BALANCES, BEGINNING	429,442	483,485	507,409		483,468
FUND BALANCES, ENDING	$ 509,442	$ 522,805	$ 499,390		$ 507,409

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

GARFIELD SCHOOL DISTRICT RE-2
Food Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for 2021)

	2022				2021
	Budgeted Amounts		Actual	Variance with Final Budget- Positive	Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Food and Ala carte sales	$ 70,603	$ 74,603	$ 24,911	$ (49,692)	$ 58,599
Federal aid:					
Federal government meal reimbursement	1,240,347	1,330,347	1,873,958	543,611	1,314,761
USDA Commodity contribution	77,250	96,277	88,562	(7,715)	98,373
State reimbursement	15,200	15,200	9,742	(5,458)	9,785
Donations from private sources	8,400	8,400	320	(8,080)	12,931
Interest income	1,200	1,200	0	(1,200)	27
Total revenues	1,413,000	1,526,027	1,997,493	471,466	1,494,476
EXPENDITURES					
Salaries and employee benefits	989,740	989,740	934,635	55,105	897,320
Purchased services	72,000	72,000	34,228	37,772	54,940
Supplies	36,300	36,300	41,998	(5,698)	38,933
Food costs:					
Purchased food	438,700	532,700	553,848	(21,148)	456,431
Donated commodities	82,500	96,277	88,562	7,715	98,373
Internal catering and other	3,000	3,000	131,210	(128,210)	2,844
Total expenditures	1,622,240	1,730,017	1,784,481	(54,464)	1,548,841
OTHER FINANCING (USES)					
Transfers in	-	-	-	-	285,000
Total other financing (uses)	-	-	-	-	285,000
NET CHANGE IN FUND BALANCES	(209,240)	(203,990)	213,012	417,002	230,635
FUND BALANCES, BEGINNING	1,224,864	124,313	354,949		124,314
FUND BALANCES, ENDING	$ 1,015,624	$ (79,677)	$ 567,961		$ 354,949

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

Colorado Department of Education

Auditors Integrity Report

District: 1195 - Garfield Re-2

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	22,902,585	54,083,540	55,081,327	21,904,798
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**22,902,585**	**54,083,540**	**55,081,327**	**21,904,798**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	354,951	1,997,494	1,784,481	567,963
22 Govt Designated-Purpose Grants Fund	0	1,166,803	1,166,803	0
23 Pupil Activity Special Revenue Fund	507,411	746,430	754,449	499,391
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	11,135,372	8,662,161	8,673,884	11,123,649
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,421,446	5,724,981	3,568,180	3,578,247
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**36,321,765**	**72,381,408**	**71,029,124**	**37,674,048**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**0**	**0**	**0**	**0**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**0**	**0**	**0**	**0**

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.

Garfield School District RE-2

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 *GOVERNMENTAL AUDITING STANDARDS*

To the Board of Education
Garfield School District RE-2
Rifle, Colorado

Opinion on Each Major Federal Program

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, each major fund, and the aggregate remaining fund information of Garfield School District RE-2 (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 February 28, 2023.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

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Compliance and Other Matters

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

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 *Governmental 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.
February 28, 2023

M & A

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 AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Garfield School District RE-2
Rifle, Colorado

Opinion on Each Major Federal Program

We have audited Garfield School District RE-2'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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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 County'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
Garfield School District RE-2
Rifle, Colorado

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. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
February 28, 2023

Garfield School District RE-2
SCHEDULE OF 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 reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None reported
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 Park 200	None noted
Major programs	
Elementary Stabilization Fund	ALN# 84.425
Title I – Improving the Academic Achievement of the Disadvantaged	ALN# 84.010
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	None noted
Compliance findings	None noted
Questioned costs	None noted

Garfield School District RE-2
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Note: There were no findings for the fiscal year ended June 30, 2021

Garfield School District RE-2
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Program Title	Federal Assistance Listing	Grant Project Code	Expenditures	
Department of Education:				
Passed through Colorado Department of Education:				
Title I, Part A - Improving Basic Programs Operated by Schools	84.010	4010	$ 695,543	
Title II, Part A - Teacher and Principal Training and Recruiting	84.367	4367	48,319	
Title III, Part A - English Language Acquisition	84.365A	4365	114,934	
Title IV, Part A - Student Support and Academic Enrichment	84.424A	4424	3,798	
Education Stabilization Fund:				
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II) - 9.5% (State Reserve)	84.425D	4419	304,680	
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II) - Distribution 90%	84.425D	4420	97,930	
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III) - 90% to LEAs	84.425U	4414	418,604	
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III) - 20% Learning Loss Set Aside	84.425U	9414	36,913	
Education Stabilization Fund Total			*858,127*	
Passed through Mountain Board of Cooperative Education Services (BOCES):				
Governor's Emergency Education Relief Fund (GEER) - CSI Recalculation Funding	84.425C	6425	114,048	
Passed through Colorado Mountain College:				
COVID-19 - CARES Act: Higher Education Emergency Relief Fund Institutional Resilience and Expanded Postsecondary Opportunity	84.425P	4441	30,000	
Passed through the Colorado Community College System (CCCS):				
Career and Technical Education	84.048	4048	29,887	
Total Department of Education			1,894,656	
Department of Agriculture:				
Passed through Colorado Department of Education:				
School Breakfast Program	10.553	4553	342,515	**A**
National School Lunch Program	10.555	4555	1,406,230	**A**
Summer Food Service Program for Children	10.559	4559	100,382	**A**
Fresh Fruits and Vegetables	10.582	4582	21,769	**A**
SNAP: P-EBT mini Grants	10.649	4649	3,063	
Passed through Colorado Department of Human Services:				
Food Distribution, Commodities	10.555	4555	88,562	**A**
Total Department of Agriculture			1,962,521	
Department of Health and Human Services:				
Passed through Colorado Department of Human Services:				
Child Care and Development Block Grant	93.575	7575	9,933	**C**
Total Department of Health and Human Services			9,933	
Federal Communications Commission				
Emergency Connectivity Fund Program	32.009	8009	410,897	
Total Federal Communications Commission			410,897	
Total Expenditures			$ 4,278,007	

Additional Information for Clusters:

A	Child Nutrition Cluster	$ 1,959,458
C	Child Care Development Cluster	9,933

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 Garfield School District RE-2 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 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:
Food Commodities: Fair market value of commodities at the time recipient receives award and the assessed value provided by the federal agency.

Note 3. Indirect Facilities and Administration Costs
The District does not 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. Instead, the District prepares an annual cost allocation plan to allocate indirect costs.

Note 4. Sub recipients:
The District had no sub-recipients as of June 30, 2022