

**Summit School District RE-1
Frisco, Colorado**

**Annual Comprehensive
Financial Report
June 30, 2023**



Summit School District
Annual Comprehensive Financial Report
For Fiscal Year Ending June 30, 2023

Prepared By Kara Drake

Chief Financial Officer

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June 30, 2023**

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Summit School District RE-1

Introductory Section





December 14, 2023

Board of Education and Residents
Summit School District
Frisco, Colorado 80443

Colorado Revised Statute 29-1-603 requires that all school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Summit School District for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of Summit School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Summit School District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Summit School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Summit School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by McMahan and Associates, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Summit School District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Summit School District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Single Audit – The independent audit of the financial statements of Summit School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the District's single audit for the fiscal year ended June 30, 2023 provided no instances of material weaknesses or reportable conditions in internal control or material violations of applicable laws, regulation, contracts or grants.

Budgeting Controls – In addition, the District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. A quarterly financial report is prepared and presented to the Board of Education on a regular basis. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund.

The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget.

Accounting Policies – Detailed descriptions of the District's accounting policies are contained in the Notes to the Basic Financial Statements in section D, and they are an integral part of this report. These policies describe the basis of accounting, fund and accounts used, valuation policies for inventories and investments and other significant accounting information.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Summit School District's MD&A can be found immediately following the report of the independent auditors.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Profile of the District

Summit School District was formed in 1958 by a state-wide reorganization of school districts. This reorganization combined six (6) small school districts in Summit County into one district. The District covers approximately 516 square miles in the central Colorado Rocky Mountains. Summit School District is empowered to levy a property tax on both real and personal properties located within its boundaries.

The District operates under an elected Board of Education with seven members. Policy-making and legislative authority are vested in the Board of Education. The Board is responsible, among other things, for adopting policies, appointing committees, adopting the budget, and hiring the Superintendent. The Superintendent is responsible for carrying out the policies and regulations of the Board, for overseeing the day-to-day operations of the district, and for hiring principals and administrators. The Board is elected on a non-partisan basis at large. Board members serve four-year staggered terms, with four or three Board members elected every two years.

The District provides a full range of educational programs and services authorized by Colorado State Statute to approximately 3,600 students. This includes basic PK-12 education in elementary, middle and high schools, special education for handicapped students, English language acquisition, preschool and numerous other programs. The District has no component governmental entities for which it is financially accountable. Therefore, the financial statements include only the District and no other entities.

The annual budget serves as the foundation for Summit School District's financial planning and control. The Board of Education begins the budget cycle annually in December by reviewing several five-year projections to evaluate the overall financial health of the district. Based upon this review and current financial policies, the Board establishes the facts and assumptions that will be used in the development of the annual budget. The Administrative Team of the district, which consists of all building principals and district office administrators, discusses and reviews the Board direction. This input is then provided to the

Board who finalizes their budget guidelines. The Business Services department then converts these guidelines into broad allocations to each school and department. The school or department determines their staffing and budgets to meet the needs of their customers and input for their respective communities within their allocations. The Business Services department then collects this budget detail and compiles the proposed budget. In May, the Superintendent presents this proposed budget to the Board for review. The Board is required to hold public hearings on the budget and to adopt a final budget by no later than June 30, the close of Summit School District's fiscal year. The appropriated budget is prepared by fund, program and department. Principals and department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the approval of the Board of Education. Budget-to-actual comparisons are provided in this report for every fund. For all funds, this comparison is presented in the supplemental information section of this report, in Sections E and F.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Summit School District operates. The two factors that determine the level of funding for any year for a Colorado school district is the Colorado School Finance Act and individual district enrollment.

The Colorado School Finance Act was developed in 1988 to bring equity to funding of school districts throughout the State. In 1994, the Act was amended. The Act currently determines the amount of per pupil funding for each district in the state based upon four district factors: base, size, at-risk and cost of living. These factors determine a per pupil dollar amount that is then multiplied by the number of students enrolled on October 1 of the current year. Although the Colorado School Finance Act was implemented with the best intentions, tight state revenues have resulted in the Act, and therefore schools, being under funded for over twenty years.

In November 2000, the voters of Colorado passed a statewide ballot issue to amend the State Constitution, Amendment 23. This amendment requires that the state fund public education at a minimum of growth plus inflation plus one percent for the next ten years beginning with fiscal 2001-02 and thereafter at growth plus inflation. However, due to the state of the economy, the State of Colorado has had to reduce funding to PK-12 education, by enacting a new factor, the Budget Stabilization Factor, that empowers the legislature to override the aforementioned factors, and dictate how much the State will fund Colorado K-12 education.

Enrollment is the second key factor to financing a school district. Summit School District's enrollment is projected to slightly decrease over the next several years and has been especially volatile in the most recent years due to COVID-19. The District enrollment increased in 2021-22 as students came back to school following the COVID-19 pandemic. The 2023-24 budget has been prepared forecasting a decreased enrollment of 77.8 students, or approximately 2.2%, for the next fiscal year.

Major Initiatives

In Summit School District, we prepare caring, courageous, community-minded people who create a better world.

Strategic Plan: Throughout the 2020-21 school year, school board members and district leaders worked with parents, students, staff and community members to guide the development of a new strategic plan. The community conversations focused energy and ideas on common goals and priorities. From this work, Summit School District developed the 2021 Strategic Plan and Graduate Profile, which will guide the actions and priorities of the district moving into the future.

Mission Statement: Summit School District creates a safe learning community in which each and every person belongs, grows and thrives.

Focus Areas: In order to support our core values of equity, collaboration, curiosity and innovation, Summit School District has three main focus areas: academic and personal success for every student, equity seeking systems and family and community partnerships.

District Wide International Baccalaureate (IB): The District continues on its vision to be one of only a handful of Districts that is a District Wide International Baccalaureate school system.

Fiscal Responsibility: The Board of Education has put into practice strong financial policies and practices which has resulted in the Summit School District being in sound financial condition. These financial policies include:

- A balanced budget
 - Expenses are adjusted to annual revenues
- Unrestricted fund balance for unforeseen events
 - Goal of 7% of General Fund expenses or 17 days
- Annual independent audit
- Quarterly financial reports
- Financial information posted on web site for fiscal transparency


Budget Planning: The State of Colorado continues to struggle to fund PK-12 education and funding for schools is reduced each year with a negative adjustment of the Budget Stabilization Factor. The year-over-year impact of the negative adjustment to funding for SSD, from 2009 through 2024 is over \$38.4M.

This budget was prepared with an expected increase in funding of \$1,058.60 per student (10.5%). This increase includes an inflationary increase to per pupil funding of 8% as well as a decrease to the Budget Stabilization Factor of \$180 million. This brings the state-wide underfunding of PK-12 education to \$321.2 million, of which SSD's share is \$1.35 million. Total impact to reserves will be a decrease of \$3.6 million. This includes support for on-going salary increases as approved by the Board and the use of one-time rural dollars that the District will receive in 2024.

ACKNOWLEDGEMENTS

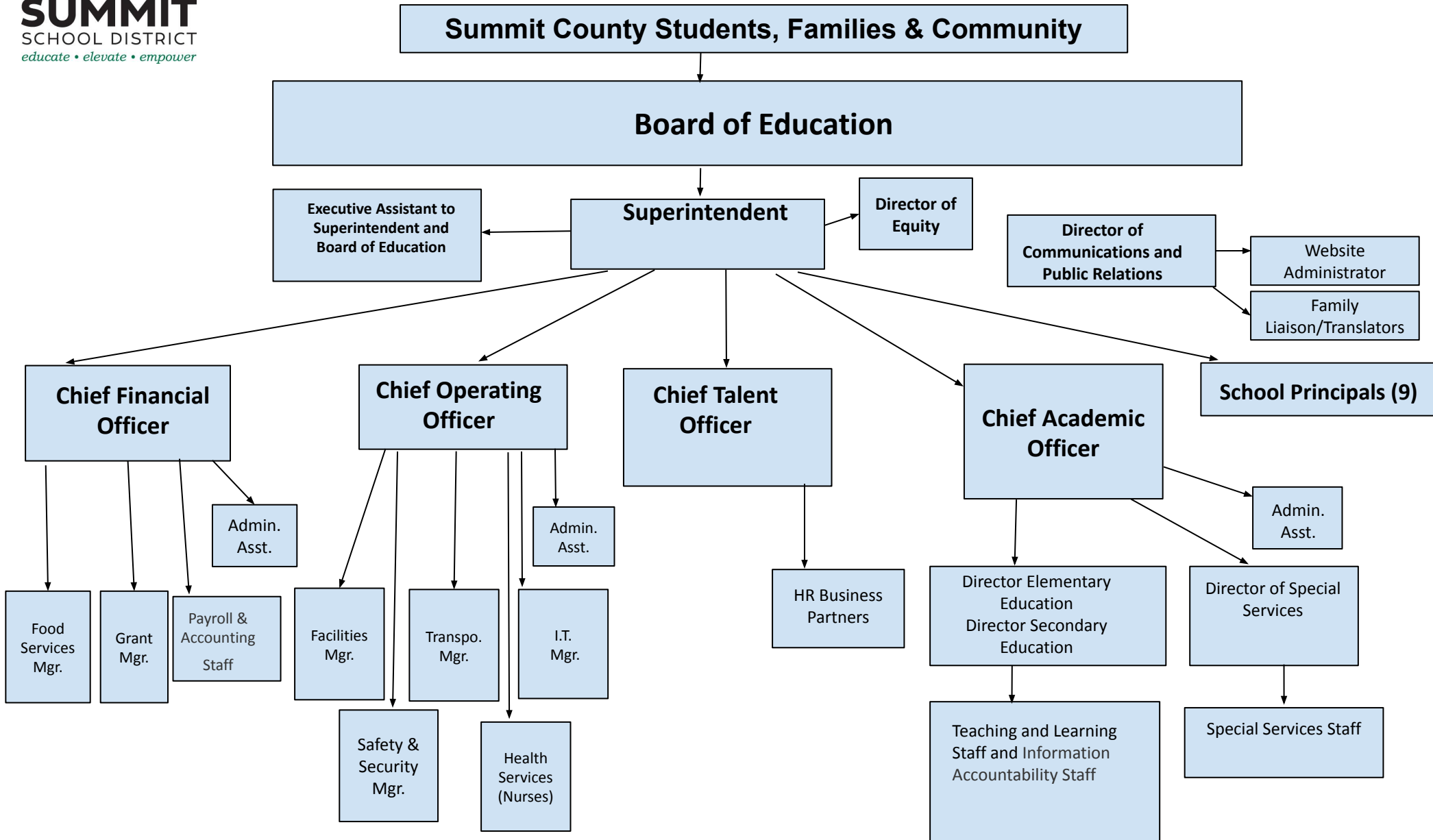
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Superintendent and Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of Summit School District's finances.

Respectfully submitted,



Kara Drake
Chief Financial Officer

Summit School District 2022 - 2023 Organizational Chart



SUMMIT SCHOOL DISTRICT
Summit County, Colorado

PRINCIPAL OFFICIALS

Board of Education

- Ms. Kate Hudnut President
- Ms. Consuelo Redhorse Vice President
- Ms. Johanna Kugler Secretary
- Ms. Lisa Webster Treasurer
- Ms. Julie Shapiro Director
- Mr. Chris Alleman Director
- Mr. Chris Guarino Director

District Administration

- Dr. Tony Byrd Superintendent
- Ms. Mary Kay Doré Chief Academic Officer
- Ms. Kara Drake Chief Financial Officer
- Ms. Margarita Tovar Chief Human Resources Officer

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity. Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

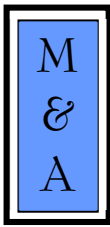
1. **mail:**
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. **fax:**
(833) 256-1665 or (202) 690-7442; or
3. **email:**
program.intake@usda.gov

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Summit School District RE-1

Financial Section





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Summit School District RE-1
Frisco, 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 Summit School District RE-1, Colorado (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require Management's Discussion and Analysis in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, Colorado

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

The combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, Colorado**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

Emphasis-of-Matter

As discussed in Note V.D to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangement*, in 2023. Our opinion is not modified with respect to this matter.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
December 20, 2023**

Summit School District RE-1

Management's Discussion and Analysis





**Summit School District
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2023**

As management of Summit School District (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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report.

Financial Highlights

- ❖ The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$29,477,136. Of this amount, \$10,473,739 is restricted in its use to meet the District's ongoing obligations to students and creditors.
- ❖ The District's total net position decreased by \$2,759,200.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23,241,044, an increase of \$867,410 in comparison with the prior year; \$9,846,169 is available for spending at the District's discretion.
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,849,867 or 19.8% percent of total general fund expenditures.
- ❖ The District's general obligation debt decreased to a balance of \$61,415,000. As of June 30, 2023, the district has two outstanding general obligation bonds from 2017 and 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) 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 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).

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services, food service, and student activities. Such services include activities relating to building maintenance, technology and administration.

The district-wide financial statement includes only the Summit School District and no other entities. The district-wide financial statements can be found on pages C1-C2 of this report.

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

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.

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.

Summit School District maintains nine individual governmental funds. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The five major funds, general fund, grant fund, debt service fund, building fund and supplemental capital construction and technology fund are presented separately and the food service fund, pupil activity, transportation fund and capital reserve fund are presented as one total.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided to demonstrate compliance with state budget statutes.

The basic governmental fund financial statements can be found on pages C3-C6.

Proprietary Funds: The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its employee health and dental benefits. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary Funds provide the same type of information as the district-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages C7-C9 of this report.

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 in Section D of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Immediately following the notes are the statements reporting the District's annual appropriated budgets. These budget reports can be found on pages E1-F11.

District-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a district's financial position. For the year ended June 30, 2023, the District's total net position was \$29,477,136, which included the District's net pension and OPEB liability of \$76,912,283. This net liability is the District's proportionate share of the School Division Trust Fund pension and other post-employment benefits liability, administered by the Public Employees' Retirement Association of Colorado. This was determined by an actual valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

Summit School District - Summary of Net Position:

	Governmental Activities	
	FY 2023	FY 2022
Assets:		
Current and other assets	\$ 31,838,061	\$ 31,915,940
Capital assets	142,729,409	152,485,116
Total Assets	<u>\$ 174,567,470</u>	<u>\$ 184,401,056</u>
Deferred Outflows	<u>\$ 18,076,029</u>	<u>\$ 16,010,696</u>
Liabilities:		
Other liabilities	\$ 14,753,169	\$ 14,706,397
Long-term liabilities	137,449,446	124,979,714
Total Liabilities	<u>\$ 152,202,615</u>	<u>\$ 139,686,111</u>
Deferred Inflows	<u>\$ 10,963,748</u>	<u>\$ 28,489,305</u>
Net Position		
Net investment		
in capital assets	\$ 76,595,978	\$ 79,626,934
Restricted	10,473,739	10,327,448
Unrestricted	(57,592,581)	(57,718,046)
Total Net Position	<u>\$ 29,477,136</u>	<u>\$ 32,236,336</u>

Of the District's total net position, \$76,595,978 is invested in capital assets (e.g. land, buildings and equipment). The district uses these capital assets to provide services to its students and the community; consequently, these assets are not available for further spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$10,473,739, represents resources that are subject to restrictions on how they may be used. The District's June 30, 2023, unrestricted net position (\$57,592,581) is a result of reporting the net pension and OPEB obligation of \$76,912,283.

Summit School District - Statement of Activities:

	Governmental Activities	
	FY 2023	FY 2022
Revenues:		
<i>Program revenues</i>		
Charges for services	\$ 2,452,295	\$ 1,650,424
Operating grants and contributions	10,288,812	6,389,235
Capital grants and contributions	-	601
<i>General revenues</i>		
Property taxes	45,678,139	46,220,013
Specific ownership taxes	2,304,698	2,237,091
State revenue	9,542,536	6,887,257
Grants and contributions	1,125,854	1,283,445
Investment earnings	514,262	38,203
Other	-	7,164
Total revenues	<u>71,906,596</u>	<u>64,713,433</u>
Expenditures:		
Direct instruction	41,290,455	21,636,005
Indirect instruction	10,435,719	6,793,127
Transportation	2,340,468	1,352,191
Custodial maintenance	7,091,018	5,441,359
Support services	3,395,109	1,802,003
General administration	4,968,391	2,866,276
Community service	173,169	-
Food service	1,984,891	1,559,999
Student activities	1,049,427	817,760
Interest	1,937,149	2,075,563
Total expenses	<u>74,665,796</u>	<u>44,344,283</u>
Change in net position	(2,759,200)	20,369,150
Net position- July 1	<u>32,236,336</u>	<u>11,867,186</u>
Net position - June 30	<u>\$ 29,477,136</u>	<u>\$ 32,236,336</u>

Most school districts operating revenues comes from the School Finance Act of 1994 (“SFA”). Under this act, the District received \$10,077.25 per funded pupil in fiscal year ended June 30, 2023, and the funded pupil count was 3,549.5. SFA funding comes from general fund property taxes, specific ownership taxes, and state equalization. The District received 86% of SFA funding from property taxes and specific ownership tax and 24% from the state.

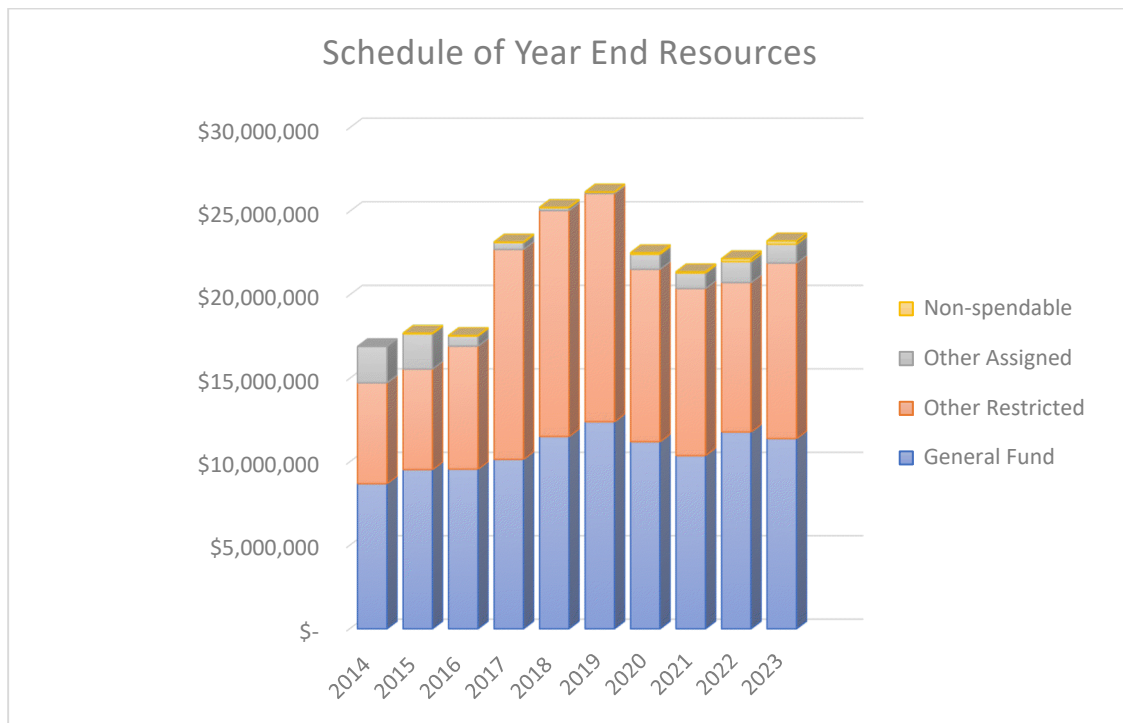
Financial Analysis of the District's Funds

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, unreserved fund balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

- ❖ As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23,241,044, an increase of \$867,410 from the prior year's ending fund balances. This increase is the result of an increase in the fund balance in the Supplemental Capital Fund due to timing of expenditures for the 2022 summer projects. A total of \$9,846,169 is available for spending at the District's discretion. The general fund accounts for \$11,402,567 of the total fund balance.

The following graph provides a view of the District's ending fund balances, not including the building fund, for the last ten fiscal years:



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.

One of the most important variances to discuss is budgeted vs. actual revenues and expenditures in the general fund. Actual revenues were favorable to the final budget by \$1,029,434, primarily due to increase earnings on investments and a mid-year increase in school finance funding from CDE. Actual expenditures, excluding contingency, were \$822,880 less than budgeted due to savings in salary and benefits from unfilled positions and attrition and a curriculum order that was not received prior to end of the fiscal year. Other financing sources were \$498,020 less than budgeted due to less than anticipated transfers needed to fund Transportation and Food Services. The final budget adopted in June 2023, had planned to decrease the balance in reserves \$2,743,917, however, due to savings in expenditures and additional revenues, the actual result was a decrease in the ending fund balance of the general fund of \$393,583.

The District has prepared a budget that will use \$3,627,557 in fund balance for the next fiscal year. The spend down of reserves is due to negotiated salary increases for staff. The district will need to balance the ongoing revenues and expenditures in future years.

Capital Assets: The District's capital assets, net of accumulated depreciation, totaled \$142,729,409 as of June 30, 2023. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than \$5,000 and useful life of more than two years. The district has \$88,790 in construction commitments as of June 30, 2023.

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

Long-Term Debt: As of the end of the current fiscal year, the District's long-term liabilities totaled \$144,097,119, representing a net increase of \$12,633,174. This increase in long-term debt is primarily due to increase in the District's net pension liability for PERA.

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, 2023 is \$481,809,880.

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 D16 – D40 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 into account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk and English Language Learning 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 Act 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 has expired, 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. However, due to the decline in the national and state economy, the State of Colorado has not fully funded Amendment 23 levels for the 2022-23 school year, and has not since the 2009-2010 school year.

Next Year's Budget and Rates: The District's General Fund balance at the end of fiscal year 2023 totaled \$11,402,567. The fiscal year 2024 budget anticipates to spend this balance down by \$3,627,557.

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 Summit School District, Chief Financial Officer, PO Box 7, Frisco, Colorado 80443.

Summit School District RE-1

District-Wide Financial Statements



SUMMIT SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets:	
Current Assets:	
Cash and investments	\$ 26,582,458
Accounts receivable	77,282
Taxes receivable	1,810,287
Due from other governments	2,612,134
Prepaid expenses	715,067
Inventory	40,833
Total Current Assets	31,838,061
Capital Assets:	
Land	10,200,702
Construction in progress	88,790
Buildings	230,254,523
Equipment and vehicles	7,942,911
Leased assets	290,647
Less accumulated depreciation	(106,048,164)
Total Capital Assets	142,729,409
Total Assets	174,567,470
Deferred Outflows of Resources:	
Related to pension expenses	17,599,593
Related to other post-employment expenses	476,436
Total Deferred Outflows of Resources	18,076,029
Liabilities:	
Current Liabilities:	
Accounts, retainage, arbitrage and deposits payable	1,574,942
Accrued compensation	6,088,639
Accrued interest	199,610
Unearned revenue	242,305
Leases payable - due within one year	77,673
Bonded debt payable - due within one year	6,570,000
Total Current Liabilities	14,753,169
Noncurrent Liabilities:	
Bonded debt payable - due in more than one year	59,582,660
Compensated absences and early retirement - due in more than one year	954,503
Net pension and OPEB liability:	
Due in more than one year - pension	74,377,706
Due in more than one year - OPEB	2,534,577
Total Noncurrent Liabilities	137,449,446
Total Liabilities	152,202,615
Deferred Inflows of Resources:	
Related to pension expenses	10,051,835
Related to other post-employment expenses	892,684
Deferred charge on refunding	19,229
Total Deferred Inflows of Resources	10,963,748
Net Position:	
Net investment in capital assets	76,595,978
Restricted for:	
TABOR	1,257,900
Debt service	8,958,942
Other purposes	256,897
Unrestricted	(57,592,581)
Total Net Position	\$ 29,477,136

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Direct instruction	\$ 41,290,455	\$ 643,917	\$ 7,926,610	\$ -	\$ (32,719,928)
Indirect instruction	10,435,719	-	1,026,337	-	(9,409,382)
Transportation	2,340,468	146,711	54,583	-	(2,139,174)
Custodial and maintenance	7,091,018	-	-	-	(7,091,018)
Support services	3,395,109	-	3,370	-	(3,391,739)
General administration	4,968,391	-	-	-	(4,968,391)
Community service	173,169	-	172,450	-	(719)
Food service	1,984,891	697,031	1,105,462	-	(182,398)
Student activities	1,049,427	964,636	-	-	(84,791)
Interest	1,937,149	-	-	-	(1,937,149)
Total governmental activities	<u>74,665,796</u>	<u>2,452,295</u>	<u>10,288,812</u>	<u>-</u>	<u>(61,924,689)</u>
General revenues:					
Property taxes levied for general purposes					36,480,155
Property taxes levied for debt service					9,197,984
Specific ownership taxes					2,304,698
State revenue					9,542,536
Grants and contributions not restricted to specific programs					1,125,854
Interest and investment earnings					514,262
Total general revenues					<u>59,165,489</u>
Change in net position					(2,759,200)
Net position - beginning (restated)					<u>32,236,336</u>
Net position - ending					<u>\$ 29,477,136</u>

The accompanying notes are an integral part of this statement.

Summit School District RE-1

Fund Financial Statements



SUMMIT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>Supplemental Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Cash and cash equivalents	\$ 14,861,028	\$ -	\$ 8,381,789	\$ -	\$ 1,494,044	\$ 1,193,388	\$ 25,930,249
Accounts receivable	68,893	-	-	-	-	3,949	72,842
Taxes receivable	1,313,653	-	365,563	-	95,981	35,090	1,810,287
Due from other governments	1,446,344	553,640	351,140	-	91,054	169,956	2,612,134
Due from other funds	-	32,157	-	-	-	-	32,157
Inventories and prepaid expenses	294,800	3,698	-	-	158,613	41,892	499,003
Total Assets	<u>17,984,718</u>	<u>589,495</u>	<u>9,098,492</u>	<u>-</u>	<u>1,839,692</u>	<u>1,444,275</u>	<u>30,956,672</u>
Liabilities:							
Accounts and deposits payable	482,115	60,209	-	-	94,148	24,924	661,396
Accrued compensation	5,565,584	305,557	-	-	-	217,497	6,088,638
Due to other funds	32,157	-	-	-	-	-	32,157
Unearned revenue:							
Other	835	223,729	-	-	-	17,741	242,305
Total Liabilities	<u>6,080,691</u>	<u>589,495</u>	<u>-</u>	<u>-</u>	<u>94,148</u>	<u>260,162</u>	<u>7,024,496</u>
Deferred Inflows of Resources:							
Unavailable property taxes	501,460	-	139,550	-	36,677	13,445	691,132
Fund Balances:							
Non-spendable	294,800	3,698	-	-	158,613	41,892	499,003
Spendable:							
Restricted	1,257,900	-	8,958,942	-	-	-	10,216,842
Committed	-	-	-	-	1,550,254	281,095	1,831,349
Assigned	-	-	-	-	-	847,681	847,681
Unassigned	9,849,867	(3,698)	-	-	-	-	9,846,169
Total Fund Balances	<u>11,402,567</u>	<u>-</u>	<u>8,958,942</u>	<u>-</u>	<u>1,708,867</u>	<u>1,170,668</u>	<u>23,241,044</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 17,984,718</u>	<u>\$ 589,495</u>	<u>\$ 9,098,492</u>	<u>\$ -</u>	<u>\$ 1,839,692</u>	<u>\$ 1,444,275</u>	<u>\$ 30,956,672</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2023

Governmental Funds Total Fund Balance	\$ 23,241,044
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	248,777,573
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(106,048,164)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred	691,132
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt and leases payable.	(61,492,673)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is interest payable for the year.	(199,615)
Deferred items such as premiums and deferred refunding costs are treated as current transactions on the fund financial statements but are capitalized and amortized on the Statement of Net Position.	(4,756,889)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of compensated absences not currently payable.	(954,503)
Long-term liabilities, including net pension and OPEB obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension and OPEB liability, adjusted for changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension and OPEB plan, that are amortized over the average remaining service life of all active and inactive plan participants.	(69,780,769)
Governmental Activities Net Position	\$ 29,477,136

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>Supplemental Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxes:							
General property taxes	\$ 33,305,845	\$ -	\$ 9,197,984	\$ -	\$ 2,414,144	\$ 880,884	\$ 45,798,857
Specific ownership taxes	2,304,698	-	-	-	-	-	2,304,698
Intergovernmental revenues:							
Federal sources	498,571	2,563,603	-	-	-	1,054,419	4,116,593
State sources	12,551,350	533,322	-	-	-	280,007	13,364,679
Charges for services	719,670	-	-	-	-	1,668,912	2,388,582
Investment income	508,837	-	-	5,425	-	-	514,262
Other revenue	696,208	94,791	-	-	-	204,664	995,663
Total Revenues	<u>50,585,179</u>	<u>3,191,716</u>	<u>9,197,984</u>	<u>5,425</u>	<u>2,414,144</u>	<u>4,088,886</u>	<u>69,483,334</u>
Expenditures:							
Direct instruction	30,611,346	1,750,580	-	-	-	-	32,361,926
Indirect instruction	7,308,167	820,673	-	-	353,028	-	8,481,868
Transportation	51,555	38,947	-	-	-	1,769,211	1,859,713
Custodial and maintenance	5,453,249	74,983	-	-	81,153	33,423	5,642,808
Support services	2,349,775	194,035	-	-	48,131	-	2,591,941
General administration	3,863,812	10,000	-	-	6,129	2,236	3,882,177
Community service	281	172,450	-	-	-	-	172,731
Student activities	-	-	-	-	-	1,049,427	1,049,427
Food service operations	-	13,802	-	-	-	1,844,568	1,858,370
Debt Service							
Principal	-	-	6,410,000	-	-	-	6,410,000
Interest	-	-	2,637,885	-	-	-	2,637,885
Fiscal charges	-	-	11,803	-	-	-	11,803
Capital outlay	-	116,246	-	204,301	476,472	157,740	954,759
Total Expenditures	<u>49,638,185</u>	<u>3,191,716</u>	<u>9,059,688</u>	<u>204,301</u>	<u>964,913</u>	<u>4,856,605</u>	<u>67,915,408</u>
Excess (Deficiency) or Revenues Over Expenditures	<u>946,994</u>	<u>-</u>	<u>138,296</u>	<u>(198,876)</u>	<u>1,449,231</u>	<u>(767,719)</u>	<u>1,567,926</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	640,061	640,061
Transfers (out)	(1,340,577)	-	-	-	-	-	(1,340,577)
Total Other Financing Sources (Uses)	<u>(1,340,577)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,061</u>	<u>(700,516)</u>
Net Change in Fund Balance	(393,583)	-	138,296	(198,876)	1,449,231	(127,658)	867,410
Fund Balance - Beginning of the Year	11,796,150	-	8,820,646	198,876	259,636	1,298,326	22,373,634
Fund Balance - End of the Year	<u>\$ 11,402,567</u>	<u>\$ -</u>	<u>\$ 8,958,942</u>	<u>\$ -</u>	<u>\$ 1,708,867</u>	<u>\$ 1,170,668</u>	<u>\$ 23,241,044</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Governmental Funds Changes in Fund Balances	\$ 867,410
Changes:	
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 outlay reported as an expenditure in the governmental funds functions.	950,394
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the year.	(10,698,397)
Unavailable property tax revenue does not provide a current financial resource and is a deferred inflow on the governmental fund financial statements; not recognized on the government-wide financial statements. This is the unavailable property tax revenue not on the Statement of Activities	(120,717)
An internal service fund is used by the District's management to charge the costs of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included within governmental activities on the Statement of Net Position.	(717,301)
Retirement of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	6,484,231
Interest on long-term debt in the Statement of Activities differed from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is the change in accrued interest payable during the year.	9,397
Premiums on refunded bonds are an increase in current available resources on the fund financial statements, but in the government wide financial statements these premiums are offset against the unamortized amounts of the refunded bonds, and the related refunding costs. Premiums and deferred refunding costs are capitalized and amortized over the life of the bonds. This represents the current year amortization District's deferred outflows the year.	691,339
Changes in the District's net pension and OPEB 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 pension and OPEB obligation during the year, including differences between employer contributions to the pension and OPEB plan and amortization of pension and OPEB-related deferrals.	(382,585)
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.	164,732
Gains or losses on disposal of assets are recorded in the government wide financial statements. This represents the loss the disposal of fixed assets during the year.	<u>(7,703)</u>
Governmental Activities Change in Net Position	<u>\$ (2,759,200)</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 652,209
Accounts receivable	4,440
Deposits	256,897
Total Assets	913,546
Liabilities:	
Accounts and deposits payable	913,546
Total Liabilities	913,546
Net Position:	
Restricted	256,897
Unrestricted	(256,897)
Total Net Position	\$ -

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Insurance premiums	\$ 4,412,191
Total Operating Revenues	4,412,191
Operating Expenses:	
Purchased services	5,830,008
Total Operating Expenses	5,830,008
Income (Loss) Before Transfers	(1,417,817)
Transfers in	700,516
Change in Net Position	(717,301)
Net Position - Beginning of the Year	717,301
Net Position - End of the Year	\$ -

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers and employees	\$ 4,407,751
Cash paid for goods and services	(5,589,178)
Net Cash Provided (Used) by Operating Activities	(1,181,427)
Cash Flows From Non-Capital Financing Activities:	
Transfers from (to) other funds, net	700,516
Net Cash Provided (Used) by Non-Capital Financing Activities	700,516
Net Increase (Decrease) in Cash and Cash Equivalents	(480,911)
Cash and Cash Equivalents - Beginning of the Year	1,133,120
Cash and Cash Equivalents - End of the Year	\$ 652,209
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (1,417,817)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(4,440)
(Increase) decrease in deposits	71,605
Increase (decrease) in accounts payable	169,225
Total Adjustments	236,390
Net Cash Provided (Used) by Operating Activities	\$ (1,181,427)

The accompanying notes are an integral part of this statement.

Summit School District RE-1

Notes to the Financial Statements



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

I. Summary of Significant Accounting Policies (continued)

Summit School District (the “District”) was formed in 1958 by a state-wide reorganization of school districts. The District operates under a locally elected Board of Education with seven members and provides educational services to approximately 3,600 students. The District’s mission is “*creating a learning environment in which each and every person belongs, grows and thrives.*” The District operates the following schools:

Elementary Schools	Middle Schools	High Schools
Breckenridge Elementary	Summit Middle School	Summit High School
Dillon Valley Elementary		Snowy Peaks Jr/Sr High School
Frisco Elementary		
Silverthorne Elementary		
Summit Cove Elementary		
Upper Blue 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 (Statement 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. No additional separate governmental units, agencies or nonprofit organizations are included in the financial statements of the District. 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.

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

B. District-wide and Fund Financial Statements

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

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

II. Summary of Significant Accounting Policies (continued)

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

1. District-wide Financial Statements

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

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

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

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

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. Resources restricted within this fund relate to TABOR reserve requirements (see Note 3.C).

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund. The District reports the following special major revenue funds:

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

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

III. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

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. The District reports the following capital projects funds:

The *Bond Redemption Fund* accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Building Fund* accounts for all resources available from bond proceeds for acquiring capital sites, buildings, and equipment.

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

Additionally, the District reports the following fund types:

The *Health Benefits Internal Service Fund* accounts for the employee health and dental benefits provided to other departments or funds of the District on a cost reimbursement basis.

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

Governmental activities in the government-wide financial statements and the proprietary 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.

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

IV. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges related to providing insurance to eligible District employees. Operating expenses for proprietary funds include the cost of claims and premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Investments

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are recorded in the General Fund.

3. Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. Property taxes levied in 2022 but not yet collected in 2023 are identified as property taxes receivable and deferred revenues at June 30, 2023, and are presented net of an allowance for uncollectible taxes. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

4. Inventories and Prepaid Items

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

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, infrastructure, vehicles and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or an estimated historical cost if no historical records exist. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest on the construction of capital assets.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50 years
Vehicles	8 years
Equipment	5 to 15 years
Buses	15 years

6. 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. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the district-wide financial statements. Vested or accumulated leave in 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.

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Long-Term Obligations

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

8. Pensions

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

9. 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 fiduciary net position and additions to/deductions from the fiduciary net position ("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.

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Outflows of Resources and Deferred 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 two items that qualify for reporting in this category; collective deferred outflows related to the District's net pension and OPEB liabilities are reported on the Statement of Net Position. See Notes IV.G and IV.H.

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; collective deferred inflows related to the District's net pension and OPEB obligations are reported on the Statement of Net Position. See Notes IV.G and IV.H.

11. Fund Equity

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. For further details of the various fund balance classifications, refer to Note IV.F.

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Interfund Transactions

Interfund services provided and used 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 “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. If the receivable or payable is not expected to be liquidated after one year, it is classified as “advances to other funds” or “advances from other funds”.

E. Significant Accounting Policies

1. 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.

2. 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. Reconciliation of District-wide and Fund Financial Statements

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

III. Stewardship, Compliance, and Accountability

A. Bond Trustee

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

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

III. Stewardship, Compliance, and Accountability

B. Budgets and Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. On or about December 1, the Superintendent submits to the Board of Education a five-year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31st, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

Colorado Budget Law requires that 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. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

The District maintains an operating reserve of the general fund unreserved balance amounting to 7% of the District's current fiscal year adopted expenditure budget as a beneficial and sound financial management practice. Additionally, all other funds must have a zero or positive balance at each fiscal year end.

The District's Pupil Activity Fund and Internal Service Fund had expenditures in excess of budgeted amounts, but not over the total appropriated amounts including beginning fund balances.

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

III. Stewardship, Compliance, and Accountability

C. TABOR Amendment – Revenue and Spending Limitation 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 which 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.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future 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% of adjusted revenue. The District has reserved a portion of its June 30, 2023 year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$1,257,900, which is approximately 3% of the fiscal year spending at June 30, 2023.

The initial base for local government's spending and revenue limits is June 30, 1993 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 2000, the District's electorate passed a ballot question exempting the District from the revenue and expenditure limitations imposed by the TABOR Amendment. The District's electorate approved the following ballot question: "*without increasing any tax rates or imposing any new tax, shall the Summit School District RE-1 be authorized to collect, keep and expend all district revenues received ... without regard to any spending, revenue-raising, or other limitation in Article X, Section 20 of the Colorado Constitution or other laws of the state?*"

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

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. Deposit balances over \$250,000 are collateralized as required by PDPA.

The District's investment policy permits investments in the following type of obligations:

- 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)
- Prime Commercial Paper (maximum maturity of 9 months)
- Local Government Investment Pools
- Money Market Mutual Funds
- Securities specifically approved by the District

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 identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2023, the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value	Total
Colostrust	\$ 15,679,292
Investments Measured at Amortized Cost	Total
Csafe MoneyMarket	\$ 8,605,517

The deposits and investments held by the District at June 30, 2023 are as follows:

	Rating	Carrying Amounts	Maturities	
			Less than One Year	Less than Five Years
<i>Deposits:</i>				
Checking accounts	Not rated	\$ 2,297,649	\$ 2,297,649	\$ -
<i>Investments:</i>				
Government Investment Pools	AAAm	15,679,292	15,679,292	-
Cash with Fiscal Agent	Not rated	8,605,517	8,605,517	-
Total		\$ 26,582,458	\$ 26,582,458	\$ -

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

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Local Government Investment Pools. The District’s holdings in investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The District has no regulatory oversight for the Pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District’s general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Credit quality distribution for investments, with credit exposure as a percentage of total investments are as follows at year end:

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
Government Investment Pools	AAAm	100%

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

- 100% of the District’s portfolio may be invested in US Treasury notes, bonds or certificates, US Government sponsored corporations, or the Colotrust or CSAFE investment pool.
- 50% of the portfolio may be invested in certificates of deposit with no more than 10% held by any one issuer and not exceeding 20% of the issuer’s net worth.
- 25% of the portfolio may be invested in bankers’ acceptances, (10% per issuer), State or local government bonds (10% per issuer), and repurchase agreements (25% per dealer).
- 10% of the portfolio may be invested in commercial paper and other authorized

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

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

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General Fund	Grant Fund	Bond Redemption Fund	Supplemental Capital Fund	Other Governmental Funds	Total
Receivables:						
Accounts	\$ 68,893	\$ -	\$ -	\$ -	\$ 3,949	\$ 72,842
Taxes	1,313,653	-	365,563	95,981	35,090	1,810,287
Intergovernmental	1,446,344	553,640	351,140	91,054	169,956	2,612,134
Gross receivables	<u>2,828,890</u>	<u>553,640</u>	<u>716,703</u>	<u>187,035</u>	<u>208,995</u>	<u>4,495,263</u>
Less: allowance for uncollectible	-	-	-	-	-	-
Net receivables	<u>\$ 2,828,890</u>	<u>\$ 553,640</u>	<u>\$ 716,703</u>	<u>\$ 187,035</u>	<u>\$ 208,995</u>	<u>\$ 4,495,263</u>

C. Capital Assets

Capital asset activity for the year ending June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,170,944	\$ 88,791	\$ (1,170,945)	\$ 88,790
Land	10,200,702	-	-	10,200,702
Total capital assets not depreciated	<u>11,371,646</u>	<u>88,791</u>	<u>(1,170,945)</u>	<u>10,289,492</u>
Capital assets being depreciated and amortized:				
Building	228,548,094	1,706,429	-	230,254,523
Vehicles	5,011,825	214,238	(115,630)	5,110,433
Equipment	2,855,597	111,881	(135,000)	2,832,478
Leased assets	290,647	-	-	290,647
Total capital assets being depreciated and amortized	<u>236,706,163</u>	<u>2,032,548</u>	<u>(250,630)</u>	<u>238,488,081</u>
Less accumulated depreciation and amortization for:				
Building	(89,785,990)	(10,196,673)	-	(99,982,663)
Vehicles	(3,177,510)	(303,239)	107,926	(3,372,823)
Equipment	(2,483,869)	(125,824)	135,000	(2,474,693)
Leased assets	(145,324)	(72,661)	-	(217,985)
Total accumulated depreciation and amortization	<u>(95,592,693)</u>	<u>(10,698,397)</u>	<u>242,926</u>	<u>(106,048,164)</u>
Total capital assets, net	<u>\$ 152,485,116</u>	<u>\$ (8,577,058)</u>	<u>\$ (1,178,649)</u>	<u>\$ 142,729,409</u>

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

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

Governmental activities:	Capital Outlay	Depreciation
Direct instruction	\$ 548,620	\$ 6,206,428
Indirect instruction	145,190	1,623,272
Transportation	34,658	387,487
Custodial and maintenance	113,502	1,268,989
Support services	42,411	474,170
General administration	66,013	738,051
Total Governmental activities	<u>\$ 950,394</u>	<u>\$ 10,698,397</u>

D. Transfers

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

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

The following interfund transfers occurred during the year ended June 30, 2023:

	Transfers In (Out)
General fund	\$ (1,340,577)
Transportation fund	640,061
Self insurance fund	700,516
Total	<u>\$ -</u>

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

IV. Detailed Notes on All Funds (continued)

E. Long-Term Debt – Governmental Activities

1. 2012 General Obligation Refunding Bonds

The District issued \$29,740,000 of General Obligation Refunding Bonds (the “2012 Bonds”) dated January 5, 2012. Proceeds from the 2012 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, Series 2004B. The interest rates on the Series 2012 Bonds ranges from 1.5% to 5% and is payable semi-annually on June 1 and December 1 through 2024.

During 2021, the 2012 Bonds were partially refunded by the 2021 Series Bonds (see Note 3). As of June 30, 2022, the bonds were paid in full.

2. 2017 General Obligation Bonds

The District issued \$68,445,000 of General Obligation Refunding Bonds (the “2017 Bonds”) dated January 24, 2017. Proceeds from the 2017 Bonds were used to finance capital projects and construction for the District.

The interest rates on the Series 2017 Bonds ranges from 4.0% to 5.0% and is payable semi-annually on June 1 and December 1 through 2036. The 2017 Bonds are subject to redemption prior to maturity. These bonds are serviced by the Bond Redemption Fund.

3. 2021 General Obligation Refunding Bonds

The District issued \$11,225,000 of General Obligation Refunding Bonds (the “2021 Bonds”) dated June 10, 2021. Proceeds from the 2021 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, Series 2012 (see note E1). The 2021 Bonds have a stated interest ranging from 0.133% to 0.597% and is payable semi-annually on June 1 and December 1 through 2025.

The net carrying amount of the old debt exceeded reacquisition price by \$115,166. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The refunding reduced total debt service payments by \$618,681 as a savings to the District.

4. Leases Payable

In 2020, the District entered into a 48-month lease agreement as a lessee for 25 copier machines. The lease calls for monthly payments of 6,632.99 at an estimated imputed interest rate of 4.54%.

Future lease payment requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	\$ 77,673	\$ 1,923	\$ 79,596
	<u>\$ 77,673</u>	<u>\$ 1,923</u>	<u>\$ 79,596</u>

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

IV. Detailed Notes on All Funds (continued)

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

5. Defeasance of Debt

As noted above, proceeds of the refunding bond issues were used to purchase U.S. government securities to retire outstanding issuances. 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 District is unable to determine the amount of defeased bonds outstanding at year-end.

6. Schedule of Future Payment

Annual debt service requirement to maturity for general obligation bonds is as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	\$ 6,570,000	\$ 2,519,282	\$ 9,089,282
2024-2025	6,660,000	2,417,464	9,077,464
2025-2026	3,035,000	2,286,325	5,321,325
2026-2027	3,185,000	2,130,825	5,315,825
2027-2028	3,345,000	1,967,575	5,312,575
2029-2033	19,400,000	7,089,750	26,489,750
2034-2037	19,220,000	1,905,675	21,125,675
Totals	<u>\$ 61,415,000</u>	<u>\$ 20,316,896</u>	<u>\$ 81,731,896</u>

7. Changes in General Long-Term Debt

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

	July 1, 2022	Additions	Deletions	June 30, 2023	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
GO Bonds 2017	\$ 56,715,000	\$ -	\$ (2,725,000)	\$ 53,990,000	\$ 2,860,000
Refunding Bonds, Series 2021	11,110,000	-	(3,685,000)	7,425,000	3,710,000
Unamortized premium	5,390,567	-	(652,907)	4,737,660	-
Compensated absences	1,119,235	-	(164,732)	954,503	-
Leases payable	151,904	-	(74,231)	77,673	77,673
Net OPEB liability	2,629,373	-	(94,796)	2,534,577	-
Net unfunded pension liability	54,347,866	20,029,840	-	74,377,706	-
Governmental activity long-term liabilities	<u>\$ 131,463,945</u>	<u>\$ 20,029,840</u>	<u>\$ (7,396,666)</u>	<u>\$ 144,097,119</u>	<u>\$ 6,647,673</u>

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

IV. Detailed Notes on All Funds (continued)

F. Fund Balance Disclosures

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, long-term portions of loans receivable, etc.

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. The District has the following restrictions on fund balance at June 30, 2023:

TABOR	\$ 1,257,900
Debt Service	8,958,942
Other purposes	256,897
	<u>\$ 10,473,739</u>

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 School Board of the District. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the District's platform to review, and/or make changes to each department's budget. The budget is formally presented to the School Board of the District via an advertised public process for their review, revisions and final approval by year-end. All subsequent budget requests made during the year, after School Board approval, must be presented via a public process and again approved by the School Board of the District.

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 School Board of the District, or its management designees.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other categories mentioned above. 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 or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts when expenditures are made. The District does have an adopted minimum fund balance policy, which required the District to maintain an unassigned fund balance of 7% of total budgeted expenditures.

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

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

IV. 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, 2022 (continued)

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.

Contribution provisions as of December 31, 2022. Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 through June 30, 2023
Employer Contribution Rate	11.40%
Amount of the Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED as presented in C.R.S. 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

IV. 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 December 31, 2022 (continued)

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$5,392,457 for the year ended June 30, 2023.

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

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

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

IV. 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)

At June 30, 2023, the District reported a liability of \$74,377,706 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 74,377,706
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	16,783,524
Total	<u>\$ 91,161,230</u>

At December 31, 2022, the District's proportionate share was 0.4085%, as compared to its proportionate share of 0.4670% at December 31, 2021.

Pension Expense: For the year ended June 30, 2023, the District recognized pension expense (credit) of \$11,671,657 and revenue of \$4,397,047 for support from the State as a nonemployer contributing entity.

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expenses and actual experience	\$ 703,904	\$ -
Change of assumptions or other inputs	1,317,472	-
Net difference between projected and actual earnings on pension plan investments	9,991,666	-
Changes in proportionate share of contributions	2,260,650	10,051,835
Contributions subsequent to measurement date	3,325,901	-
	<u>\$ 17,599,593</u>	<u>\$ 10,051,835</u>

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

IV. 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)

\$3,325,901, 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	Amortization
June 30,	
2024	\$ (2,413,311)
2025	(1,941,305)
2026	2,764,766
2027	5,811,707
	<u>\$ 4,221,857</u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
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%
PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired prior after 12/31/06*	Financed by the AIR

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

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

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

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

IV. 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.

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

IV. 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)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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

IV. 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)

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	\$ 97,334,838	\$ 74,377,706	\$ 55,206,157

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

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.

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.

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

IV. 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. For the year ended June 30, 2023, the District's contributions to HCTF were approximately \$329,831.

Liabilities. At June 30, 2023, the District reported a liability of \$2,534,577 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability ("TOL") used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.3104%, as compared to its proportion of 0.3049% measured as of December 31, 2021.

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the District recognized OPEB expense/(revenue) of \$224,824. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expenses and actual experience	\$ 329	\$ 612,945
Change of assumptions or other inputs	40,737	279,739
Net difference between projected and actual earnings on plan investments	154,807	-
Changes in proportionate share of contributions	114,105	-
Contributions subsequent to measurement date	166,458	-
	<u>\$ 476,436</u>	<u>\$ 892,684</u>

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

IV. Detailed Notes on All Funds (continued)

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

\$166,458, 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,	Amortization
2024	\$ (220,193)
2025	(205,513)
2026	(88,640)
2027	(360)
2028	(55,267)
Thereafter	(12,733)
	<u>\$ (582,706)</u>

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

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans		6.50% in 2022 gradually decreasing to 4.50% in 2030		
Medicare Part A premiums		3.75% in 2022, gradually increasing to 4.50% in 2029		
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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

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

IV. 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)

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

Age-Related Morbidity Assumptions

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

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

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

IV. 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)

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

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

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

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

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

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

IV. 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)

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

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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.

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

IV. 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%
Total	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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERA Care Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERA Care Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Proportionate Share of Net OPEB Liability	\$ 2,462,836	\$ 2,534,577	\$ 2,612,636

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

IV. 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, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the 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 7.25%	1% Increase 8.25%
Proportionate Share of Net OPEB Liability	\$ 2,938,324	\$ 2,534,577	\$ 2,189,240

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.

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

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and distortion of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance.

Liability and Property. The District maintains commercial insurance coverage for liability, property, errors and omissions, workers' compensation and employee vision. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Employee Health Care. The District has adopted a plan for self-insurance of health and dental benefits for employees which is administered by a third party administrator. The plan provides for the District to pay all allowable health expenses up to \$120,000 annually, for each insured, with all claims for each insured in excess of \$120,000 insured by a "stop-loss" insurance policy. An aggregate overall stop-loss per calendar year, based on a calculation of monthly attachment points, exists under the plan. Claim payments are based specific claims expenses. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims, if any. Unpaid claims at year end include all allocated claims adjustment expenditures. Claims the have been incurred but not reported ("IBNR") are reported as a liability in the *health benefits fund* (June 30, 2023 - \$897,217, June 30, 2022 - \$739,342).

Changes in the balances of unpaid claims during the past two years are as follows:

	Year ended 6/30/22	Year ended 6/30/23
Unpaid claims, beginning of fiscal year	\$ 770,831	\$ 739,342
Incurred claims	4,068,586	4,595,480
Claim Payments	(4,100,075)	(4,437,605)
Unpaid claims, end of fiscal year	<u>\$ 739,342</u>	<u>\$ 897,217</u>

B. Contingencies

1. Legal Matters

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

2. Federal and State Programs

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

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

V. Other Information (continued)

B. Contingencies (continued)

3. Arbitrage Rebate

The proceeds and the interest earned on the proceeds from the General Obligation Bonds - 2004A, 2012, and 2017 are subject to the assessment of an arbitrage penalty if certain conditions are met.

Investment of bond reserves and bond proceeds at net interest rates in excess of the net interest rate being paid on the bonds may cause the District to be subject to an arbitrage penalty on the difference between the net interest earned and net interest paid. This arbitrage penalty would be payable to the U.S. Treasury on the five-year anniversary date of the bonds. Final arbitrage rebate cannot be determined until the bond proceeds are expended.

C. 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 (“PERAPlus 401(k) Plan”), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. Member contributions from the District for the year ended June 30, 2023 was \$487,196.

D. Implementation of Accounting Standard

Effective July 1, 2022, the District implemented Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”), issued by the Governmental Accounting Standards Board. GASB 96 requires that the District report certain subscription-based information technology arrangements assets and liabilities and recognize inflows or outflows of resources based on the payment provisions of each such contract. The implementation of GASB 96 has been applied effective July 1, 2022, resulting in no changes to beginning net position for Governmental Activities.

E. Related Party Transactions

The District has partnered with a local non-profit entity, in which a Board member is the Executive Director of, in applying for a grant for after-school programming. The total amount of the grant received in conjunction with the local non-profit entity is \$528,432 over three years. During 2023, the District incurred \$166,037 for after school programming provided by the local non-profit entity.

Summit School District RE-1

Required Supplementary Information



SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
General property taxes	\$ 33,011,931	\$ 33,011,931	\$ 33,305,845	\$ 293,914	\$ 33,660,412
Specific ownership taxes	2,220,711	2,220,711	2,304,698	83,987	2,237,091
Federal sources	350,000	350,000	498,571	148,571	486,934
State sources	10,603,195	10,603,195	10,703,082	99,887	8,308,793
Tuition and fees	706,280	706,280	719,670	13,390	639,661
Interest income	20,000	20,000	508,837	488,837	36,866
Other revenue	795,360	795,360	696,208	(99,152)	873,087
Total Revenues	<u>47,707,477</u>	<u>47,707,477</u>	<u>48,736,911</u>	<u>1,029,434</u>	<u>46,242,844</u>
Expenditures:					
Direct instruction	30,270,972	30,270,972	29,304,649	966,323	26,856,730
Indirect instruction	6,820,741	6,820,741	7,046,438	(225,697)	6,599,369
Custodial and maintenance	5,345,882	5,345,882	5,344,109	1,773	4,793,041
Support services	2,462,288	2,462,288	2,289,027	173,261	1,886,995
General administration	3,633,319	3,633,319	3,726,099	(92,780)	3,492,231
Debt service:					
Principal	74,231	74,231	74,231	-	70,943
Interest	5,364	5,364	5,364	-	8,653
Total Expenditures	<u>48,612,797</u>	<u>48,612,797</u>	<u>47,789,917</u>	<u>822,880</u>	<u>43,707,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(905,320)</u>	<u>(905,320)</u>	<u>946,994</u>	<u>1,852,314</u>	<u>2,534,882</u>
Other Financing Sources (Uses):					
Transfers (out)	(1,838,597)	(1,838,597)	(1,340,577)	498,020	(1,117,421)
Total Other Financing Sources (Uses)	<u>(1,838,597)</u>	<u>(1,838,597)</u>	<u>(1,340,577)</u>	<u>498,020</u>	<u>(1,117,421)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(2,743,917)</u>	<u>(2,743,917)</u>	<u>(393,583)</u>	<u>2,350,334</u>	<u>1,417,461</u>
Reconciliation to GAAP Basis:					
Pension direct distribution - Special funding			1,848,268		665,163
Pension expense - Special funding			<u>(1,848,268)</u>		<u>(665,163)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - GAAP Basis			<u>(393,583)</u>		<u>1,417,461</u>
Net Change in Fund Balance	(2,743,917)	(2,743,917)	(393,583)	2,350,334	1,417,461
Fund Balance - Beginning of the Year	<u>11,796,150</u>	<u>11,796,150</u>	<u>11,796,150</u>	<u>-</u>	<u>10,378,689</u>
Fund Balance - End of the Year	<u>\$ 9,052,233</u>	<u>\$ 9,052,233</u>	<u>\$ 11,402,567</u>	<u>\$ 2,350,334</u>	<u>\$ 11,796,150</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Grant Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Final Budget Variance	2022
	Original Budget	Final Budget	Actual Amounts	Positive (Negative)	Actual Amounts
Revenues:					
Federal sources	\$ 2,826,186	\$ 2,826,192	\$ 2,563,603	\$ (262,589)	\$ 2,840,377
State sources	(48,604)	665,029	533,322	(131,707)	399,089
Other revenue	163,061	163,061	94,791	(68,270)	20,533
Total Revenues	<u>2,940,643</u>	<u>3,654,282</u>	<u>3,191,716</u>	<u>(462,566)</u>	<u>3,259,999</u>
Expenditures:					
Direct instruction	1,177,268	1,890,907	1,750,580	140,327	1,649,240
Indirect instruction	1,171,917	1,171,917	820,673	351,244	1,337,926
Transportation	38,624	38,624	38,947	(323)	13,980
Custodial and maintenance	91,323	91,323	74,983	16,340	148,387
Support services	154,673	154,673	194,035	(39,362)	22,936
General administration	-	-	10,000	(10,000)	68,187
Food service operations	13,801	13,801	13,802	(1)	19,343
Community service	176,037	176,037	172,450	3,587	-
Capital outlay	117,000	117,000	116,246	754	-
Total Expenditures	<u>2,940,643</u>	<u>3,654,282</u>	<u>3,191,716</u>	<u>462,566</u>	<u>3,259,999</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's portion of the net pension liability	0.4085%	0.4670%	0.5211%	0.4575%	0.4523%
District's proportionate share of the net pension liability	\$ 74,377,706	\$ 54,347,866	\$ 54,347,866	\$ 68,343,303	\$ 80,084,533
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	16,783,524	5,589,522	-	7,692,751	9,633,236
Total proportionate share of the net pension liability associated with the District	<u>\$ 91,161,230</u>	<u>\$ 59,937,388</u>	<u>\$ 54,347,866</u>	<u>\$ 76,036,054</u>	<u>\$ 89,717,769</u>
District's covered payroll	\$ 32,009,220	\$ 29,186,796	\$ 27,868,152	\$ 26,879,775	\$ 24,863,982
District's proportionate share of the net pension liability as a percentage of its covered payroll	232%	186%	195%	254%	322%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension liability	0.5168%	0.5079%	0.5033%	0.4993%	0.5043%
District's proportionate share of the net pension liability	\$ 167,112,041	\$ 151,220,933	\$ 76,983,045	\$ 67,671,377	\$ 64,325,033
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>\$ 167,112,041</u>	<u>\$ 151,220,933</u>	<u>\$ 76,983,045</u>	<u>\$ 67,671,377</u>	<u>\$ 64,325,033</u>
District's covered payroll	\$ 23,838,987	\$ 23,323,039	\$ 22,257,163	\$ 21,515,940	\$ 20,305,352
District's proportionate share of the net pension liability as a percentage of its covered payroll	701%	648%	346%	315%	317%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%	59.20%	62.84%	64.07%

SUMMIT SCHOOL DISTRICT
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,590,146	\$ 6,051,598	\$ 5,609,282	\$ 5,392,457	\$ 4,901,724
Contributions in relation to the contractually required contribution	<u>\$ (6,590,146)</u>	<u>\$ (6,051,598)</u>	<u>\$ (5,609,282)</u>	<u>\$ (5,392,457)</u>	<u>\$ (4,901,724)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 32,336,309	\$ 30,440,535	\$ 28,215,668	\$ 27,824,389	\$ 25,618,334
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,583,603	\$ 4,288,601	\$ 3,951,621	\$ 3,638,592	\$ 3,245,532
Contributions in relation to the contractually required contribution	<u>\$ (4,583,603)</u>	<u>\$ (4,288,601)</u>	<u>\$ (3,951,621)</u>	<u>\$ (3,638,592)</u>	<u>\$ (3,245,532)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 24,273,025	\$ 23,323,039	\$ 22,257,163	\$ 21,515,940	\$ 20,305,352
Contributions as a percentage of covered payroll	18.88%	18.39%	17.75%	16.91%	15.98%

SUMMIT SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net OPEB liability	0.3104%	0.3049%	0.3014%	0.2989%	0.2940%
District's proportionate share of the net OPEB liability	\$ 2,534,577	\$ 2,629,372	\$ 2,863,600	\$ 3,359,747	\$ 3,999,737
District's covered payroll	\$ 32,009,220	\$ 29,186,796	\$ 27,868,152	\$ 26,879,775	\$ 24,863,982
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.92%	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%
	<u>2018</u>	<u>2017</u>			
District's proportion of the net OPEB liability	0.2936%	0.2887%			
District's proportionate share of the net OPEB liability	\$ 3,816,133	\$ 3,742,978			
District's covered payroll	\$ 23,838,987	\$ 23,323,039			
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.01%	16.05%			
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%			

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

SUMMIT SCHOOL DISTRICT
Schedule of District Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 329,831	\$ 310,494	\$ 287,800	\$ 283,814	\$ 261,357
Contributions in relation to the contractually required contribution	<u>\$ (329,831)</u>	<u>\$ (310,494)</u>	<u>\$ (287,800)</u>	<u>\$ (283,814)</u>	<u>\$ (261,357)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 32,336,309	\$ 30,440,535	\$ 28,215,668	\$ 27,824,389	\$ 25,618,334
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
	<u>2018</u>	<u>2017</u>			
Contractually required contribution	\$ 248,117	\$ 232,509			
Contributions in relation to the contractually required contribution	<u>\$ (248,117)</u>	<u>\$ (232,509)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered payroll	\$ 24,273,025	\$ 23,323,039			
Contributions as a percentage of covered payroll	1.02%	1.00%			

* Information is only available beginning in fiscal year 2017.

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

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

A. Changes to assumptions or other inputs

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

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

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

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

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

- The price inflation assumption was lowered from 2.4% 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 District 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 District 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 described above are generational mortality tables on a head-count weighted basis.

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

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

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

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

A. Changes to assumptions or other inputs (continued)

5. 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.

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

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

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

- The investment return assumption was lowered from 7.50% 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 District 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.

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

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

A. Changes to assumptions or other inputs (continued)

8. Changes Since the December 31, 2014 actuarial valuation:

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

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 District 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 District'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.

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

III. Schedule of District's Proportionate Share of the OPEB Liability (continued)

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

No changes during the years presented.

IV. Notes to the Schedule of District OPEB Contributions

A. Changes to assumptions or other inputs

• **Changes since the December 31, 2019 actuarial valuation:**

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

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.

Summit School District RE-1

Supplementary Information



SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Debt Service Fund
Bond Redemption Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
General property taxes	\$ 9,178,210	\$ 9,178,210	\$ 9,197,984	\$ 19,774	\$ 9,139,163
Total Revenues	<u>9,178,210</u>	<u>9,178,210</u>	<u>9,197,984</u>	<u>19,774</u>	<u>9,139,163</u>
Expenditures:					
Debt Service					
Principal	6,410,000	6,410,000	6,410,000	-	6,059,999
Interest	2,637,885	2,637,885	2,637,885	-	2,835,313
Fiscal charges	25,000	25,000	11,803	13,197	1,240
Total Expenditures	<u>9,072,885</u>	<u>9,072,885</u>	<u>9,059,688</u>	<u>13,197</u>	<u>8,896,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>105,325</u>	<u>105,325</u>	<u>138,296</u>	<u>32,971</u>	<u>242,611</u>
Other Financing Sources (Uses):					
Issuance costs	-	-	-	-	7,465
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,465</u>
Net Change in Fund Balance	105,325	105,325	138,296	32,971	250,076
Fund Balance - Beginning of the Year	<u>8,820,646</u>	<u>8,820,646</u>	<u>8,820,646</u>	<u>-</u>	<u>8,570,570</u>
Fund Balance - End of the Year	<u>\$ 8,925,971</u>	<u>\$ 8,925,971</u>	<u>\$ 8,958,942</u>	<u>\$ 32,971</u>	<u>\$ 8,820,646</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Building Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Interest income	\$ 5,425	\$ 5,425	\$ 5,425	\$ -	\$ 1,337
Total Revenues	<u>5,425</u>	<u>5,425</u>	<u>5,425</u>	<u>-</u>	<u>1,337</u>
Expenditures:					
Capital Outlay	204,301	204,301	204,301	-	420,423
Total Expenditures	<u>204,301</u>	<u>204,301</u>	<u>204,301</u>	<u>-</u>	<u>420,423</u>
Net Change in Fund Balance	(198,876)	(198,876)	(198,876)	-	(419,086)
Fund Balance - Beginning of the Year	<u>198,876</u>	<u>198,876</u>	<u>198,876</u>	<u>-</u>	<u>617,962</u>
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,876</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Supplemental Capital Construction, Technology, and Maintenance Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
General property taxes	\$ 2,441,567	\$ 2,441,567	\$ 2,414,144	\$ (27,423)	\$ 2,434,296
Total Revenues	<u>2,441,567</u>	<u>2,441,567</u>	<u>2,414,144</u>	<u>(27,423)</u>	<u>2,434,296</u>
Expenditures:					
Indirect instruction	635,000	635,000	353,028	281,972	851,493
Custodial and maintenance	65,000	65,000	81,153	(16,153)	57,200
Support services	55,000	55,000	48,131	6,869	94,915
General administration	6,000	6,000	6,129	(129)	6,139
Capital Outlay	1,680,567	1,680,567	476,472	1,204,095	2,629,204
Total Expenditures	<u>2,441,567</u>	<u>2,441,567</u>	<u>964,913</u>	<u>1,476,654</u>	<u>3,638,951</u>
Net Change in Fund Balance	-	-	1,449,231	1,449,231	(1,204,655)
Fund Balance - Beginning of the Year	<u>259,636</u>	<u>259,636</u>	<u>259,636</u>	-	<u>1,464,291</u>
Fund Balance - End of the Year	<u>\$ 259,636</u>	<u>\$ 259,636</u>	<u>\$ 1,708,867</u>	<u>\$ 1,449,231</u>	<u>\$ 259,636</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Transportation Fund</u>		
Assets:					
Cash and cash equivalents	\$ 289,784	\$ 787,815	\$ 36,382	\$ 79,407	\$ 1,193,388
Accounts receivable	2,249	-	1,700	-	3,949
Taxes receivable	-	-	35,090	-	35,090
Due from other governments	136,723	-	33,233	-	169,956
Inventories and prepaid expenses	40,832	1,060	-	-	41,892
Total Assets	<u>469,588</u>	<u>788,875</u>	<u>106,405</u>	<u>79,407</u>	<u>1,444,275</u>
Liabilities:					
Accounts and deposits payable	3,901	19,541	1,482	-	24,924
Accrued compensation	126,019	-	91,478	-	217,497
Unearned revenue:					
Other liabilities	17,741	-	-	-	17,741
Total Liabilities	<u>147,661</u>	<u>19,541</u>	<u>92,960</u>	<u>-</u>	<u>260,162</u>
Deferred Inflows of Resources:					
Unavailable property taxes	-	-	13,445	-	13,445
Fund Balances:					
Non-spendable	40,832	1,060	-	-	41,892
Spendable:					
Committed	281,095	-	-	-	281,095
Assigned	-	768,274	-	79,407	847,681
Total Fund Balances	<u>321,927</u>	<u>769,334</u>	<u>-</u>	<u>79,407</u>	<u>1,170,668</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 469,588</u>	<u>\$ 788,875</u>	<u>\$ 106,405</u>	<u>\$ 79,407</u>	<u>\$ 1,444,275</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Transportation Fund</u>		
Revenues:					
Taxes:					
General property taxes	\$ -	\$ -	\$ 880,884	\$ -	\$ 880,884
Intergovernmental revenues:					
Federal sources	1,054,419	-	-	-	1,054,419
State sources	39,636	-	240,371	-	280,007
Charges for services	704,276	964,636	-	-	1,668,912
Other revenue	-	-	201,294	3,370	204,664
Total Revenues	<u>1,798,331</u>	<u>964,636</u>	<u>1,322,549</u>	<u>3,370</u>	<u>4,088,886</u>
Expenditures:					
Transportation	-	-	1,769,211	-	1,769,211
Custodial and maintenance	-	-	33,423	-	33,423
General administration	-	-	2,236	-	2,236
Food service operations	1,844,568	-	-	-	1,844,568
Student activities	-	1,049,427	-	-	1,049,427
Capital outlay	-	-	157,740	-	157,740
Total Expenditures	<u>1,844,568</u>	<u>1,049,427</u>	<u>1,962,610</u>	<u>-</u>	<u>4,856,605</u>
Excess (Deficiency) or Revenues Over Expenditures	<u>(46,237)</u>	<u>(84,791)</u>	<u>(640,061)</u>	<u>3,370</u>	<u>(767,719)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	640,061	-	640,061
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>640,061</u>	<u>-</u>	<u>640,061</u>
Net Change in Fund Balance	(46,237)	(84,791)	-	3,370	(127,658)
Fund Balance - Beginning of the Year	<u>368,164</u>	<u>854,125</u>	<u>-</u>	<u>76,037</u>	<u>1,298,326</u>
Fund Balance - End of the Year	<u>\$ 321,927</u>	<u>\$ 769,334</u>	<u>\$ -</u>	<u>\$ 79,407</u>	<u>\$ 1,170,668</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Food Service Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Federal sources	\$ 887,687	\$ 912,687	\$ 1,054,419	\$ 141,732	\$ 2,136,768
State sources	34,760	34,760	39,636	4,876	11,085
Food sales	580,948	605,948	704,276	98,328	106,194
Total Revenues	<u>1,503,395</u>	<u>1,553,395</u>	<u>1,798,331</u>	<u>244,936</u>	<u>2,254,047</u>
Expenditures:					
Food Service Operations:					
Salaries and employee benefits	995,288	995,288	857,922	137,366	893,832
Purchased services	220,525	220,525	241,469	(20,944)	245,040
Supplies	15,000	15,000	22,752	(7,752)	15,358
Food costs	629,182	679,182	722,425	(43,243)	782,365
Capital outlay	-	-	-	-	2,069
Total Expenditures	<u>1,859,995</u>	<u>1,909,995</u>	<u>1,844,568</u>	<u>65,427</u>	<u>1,938,664</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(356,600)</u>	<u>(356,600)</u>	<u>(46,237)</u>	<u>310,363</u>	<u>315,383</u>
Other Financing Sources (Uses):					
Transfers in (out)	356,600	356,600	-	(356,600)	-
Total Other Financing Sources (Uses)	<u>356,600</u>	<u>356,600</u>	<u>-</u>	<u>(356,600)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(46,237)	(46,237)	315,383
Fund Balance - Beginning of the Year	<u>52,781</u>	<u>52,781</u>	<u>368,164</u>	<u>315,383</u>	<u>52,781</u>
Fund Balance - End of the Year	<u>\$ 52,781</u>	<u>\$ 52,781</u>	<u>\$ 321,927</u>	<u>\$ 269,146</u>	<u>\$ 368,164</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Pupil Activity Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Tuition and fees	\$ 900,000	\$ 900,000	\$ 964,636	\$ 64,636	\$ 818,175
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>964,636</u>	<u>64,636</u>	<u>818,175</u>
Expenditures:					
Student activities	900,000	900,000	1,049,427	(149,427)	817,761
Total Expenditures	<u>900,000</u>	<u>900,000</u>	<u>1,049,427</u>	<u>(149,427)</u>	<u>817,761</u>
Net Change in Fund Balance	-	-	(84,791)	(84,791)	414
Fund Balance - Beginning of the Year	<u>854,125</u>	<u>854,125</u>	<u>854,125</u>	-	<u>853,711</u>
Fund Balance - End of the Year	<u>\$ 854,125</u>	<u>\$ 854,125</u>	<u>\$ 769,334</u>	<u>\$ (84,791)</u>	<u>\$ 854,125</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Transportation Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	<u>Positive</u>	<u>Amounts</u>
				<u>(Negative)</u>	
Revenues:					
General property taxes	\$ 882,000	\$ 882,000	\$ 880,884	\$ (1,116)	\$ 877,461
State sources	288,000	288,000	240,371	(47,629)	259,666
Other revenue	180,000	180,000	201,294	21,294	154,093
Total Revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,322,549</u>	<u>(27,451)</u>	<u>1,291,220</u>
Expenditures:					
Transportation	1,946,756	1,946,756	1,769,211	177,545	1,568,867
Custodial maintenance	35,600	35,600	33,423	2,177	38,978
General administration	2,200	2,200	2,236	(36)	2,217
Capital outlay	163,000	163,000	157,740	5,260	153,579
Contingency	-	-	-	-	-
Total Expenditures	<u>2,147,556</u>	<u>2,147,556</u>	<u>1,962,610</u>	<u>184,946</u>	<u>1,763,641</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(797,556)</u>	<u>(797,556)</u>	<u>(640,061)</u>	<u>157,495</u>	<u>(472,421)</u>
Other Financing Sources:					
Transfers in	797,556	797,556	640,061	(157,495)	472,421
Total Other Financing Sources	<u>797,556</u>	<u>797,556</u>	<u>640,061</u>	<u>(157,495)</u>	<u>472,421</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Capital Projects Fund
Capital Reserve Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			<u>2022</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual Amounts</u>
Revenues:					
Other revenue	\$ 2,000	\$ 2,000	\$ 3,370	\$ 1,370	\$ 3,267
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>3,370</u>	<u>1,370</u>	<u>3,267</u>
Net Change in Fund Balance	2,000	2,000	3,370	1,370	3,267
Fund Balance - Beginning of the Year	<u>76,037</u>	<u>76,037</u>	<u>76,037</u>	<u>-</u>	<u>72,770</u>
Fund Balance - End of the Year	<u>\$ 78,037</u>	<u>\$ 78,037</u>	<u>\$ 79,407</u>	<u>\$ 1,370</u>	<u>\$ 76,037</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual (GAAP BASIS)
Internal Service Fund
Health Benefits Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Insurance premiums	\$ 5,054,499	\$ 5,054,499	\$ 4,412,191	\$ (642,308)	\$ 4,249,972
Stop loss reimbursements	35,000	35,000	-	(35,000)	84,747
Other revenue	15,000	15,000	-	(15,000)	-
Total Revenues	<u>5,104,499</u>	<u>5,104,499</u>	<u>4,412,191</u>	<u>(692,308)</u>	<u>4,334,719</u>
Expenses:					
Claim losses	4,503,537	4,503,537	4,595,480	(91,943)	4,068,586
Premiums paid	976,705	976,705	919,915	56,790	866,935
Fees and supplies	308,698	308,698	314,613	(5,915)	303,664
Total Expenses	<u>5,788,940</u>	<u>5,788,940</u>	<u>5,830,008</u>	<u>(41,068)</u>	<u>5,239,185</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(684,441)</u>	<u>(684,441)</u>	<u>(1,417,817)</u>	<u>(733,376)</u>	<u>(904,466)</u>
Other Financing Sources					
Transfers in	684,441	684,441	700,516	16,075	645,000
Total Other Financing Sources	<u>684,441</u>	<u>684,441</u>	<u>700,516</u>	<u>16,075</u>	<u>645,000</u>
Change in Net Position	-	-	(717,301)	(717,301)	(259,466)
Net Position - Beginning of the Year	<u>717,301</u>	<u>717,301</u>	<u>717,301</u>	<u>-</u>	<u>976,767</u>
Net Position - End of the Year	<u>\$ 717,301</u>	<u>\$ 717,301</u>	<u>\$ -</u>	<u>\$ (717,301)</u>	<u>\$ 717,301</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
June 30, 2023 and 2022

	2023	2022
Governmental funds capital assets:		
Land	\$ 10,200,702	\$ 10,200,702
Construction in progress	88,790	1,170,944
Buildings	130,271,860	138,762,104
Equipment and vehicles	1,877,410	2,060,719
Leased assets	290,647	290,647
Total governmental funds capital assets	\$ 142,729,409	\$ 152,485,116



Colorado Department of Education
Auditors Integrity Report
 District: 3000 - Summit RE-1
 Fiscal Year 2022-23
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	11,796,150	49,244,603	49,638,185	11,402,567
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	11,796,150	49,244,603	49,638,185	11,402,567
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	259,635	2,414,144	964,912	1,708,867
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	368,165	1,798,331	1,844,568	321,928
22 Govt Designated-Purpose Grants Fund	0	3,191,715	3,191,715	0
23 Pupil Activity Special Revenue Fund	854,124	964,636	1,049,427	769,334
25 Transportation Fund	0	1,962,610	1,962,610	0
31 Bond Redemption Fund	8,820,647	9,197,984	9,059,688	8,958,943
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	198,876	5,425	204,301	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	76,036	3,370	0	79,406
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	22,373,634	68,782,818	67,915,407	23,241,045
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	717,301	2,120,454	2,837,755	0
Totals	717,301	2,120,454	2,837,755	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

Summit School District RE-1

Statistical Section



SUMMIT SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 69,416,544	\$ 72,667,600	\$ 76,981,982	\$ 81,459,310
Restricted	6,838,476	6,841,119	8,223,532	11,959,878
Unrestricted	9,944,710	(54,053,507)	(59,706,559)	(85,150,848)
Total governmental activities net position	\$ 86,199,730	\$ 25,455,212	\$ 25,498,955	\$ 8,268,340
Business-type activities				
Net investment in capital assets	\$ 215,110	\$ -	\$ -	\$ -
Total business-type activities net position	\$ 215,110	\$ -	\$ -	\$ -
Primary government				
Net investment in capital assets	\$ 69,631,654	\$ 72,667,600	\$ 76,981,982	\$ 81,459,310
Restricted	6,838,476	6,841,119	8,223,532	11,959,878
Unrestricted	9,944,710	(54,053,507)	(59,706,559)	(85,150,848)
Total primary government net position	\$ 86,414,840	\$ 25,455,212	\$ 25,498,955	\$ 8,268,340

SUMMIT SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 90,352,476	\$ 82,589,481	\$ 82,789,261	\$ 80,735,005	\$ 79,626,934	\$ 76,595,978
11,920,347	11,259,848	10,504,110	9,932,000	10,327,448	10,473,739
(121,752,328)	(104,474,834)	(94,972,213)	(78,794,957)	(57,718,046)	(57,592,581)
<u>\$ (19,479,505)</u>	<u>\$ (10,625,505)</u>	<u>\$ (1,678,842)</u>	<u>\$ 11,872,048</u>	<u>\$ 32,236,336</u>	<u>\$ 29,477,136</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 90,352,476	\$ 82,589,481	\$ 82,789,261	\$ 80,735,005	\$ 79,626,934	\$ 76,595,978
11,920,347	11,259,848	10,504,110	9,932,000	10,327,448	10,473,739
(121,752,328)	(104,474,834)	(94,972,213)	(78,794,957)	(57,718,046)	(57,592,581)
<u>\$ (19,479,505)</u>	<u>\$ (10,625,505)</u>	<u>\$ (1,678,842)</u>	<u>\$ 11,872,048</u>	<u>\$ 32,236,336</u>	<u>\$ 29,477,136</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
Current:					
Direct instruction	\$ 21,213,086	\$ 23,146,035	\$ 25,694,346	\$ 40,191,071	\$ 44,942,334
Indirect instruction	4,602,626	5,063,052	6,434,647	8,858,221	10,050,337
Transportation	1,477,468	1,587,103	1,677,439	2,421,939	2,695,616
Custodial and maintenance	4,255,401	4,063,683	4,300,999	5,887,850	5,957,536
Support services	2,266,448	2,291,662	2,840,564	3,094,154	3,373,832
General and school administration	2,579,159	2,867,470	3,091,129	4,455,016	5,727,440
Food service	-	1,266,894	1,375,844	1,895,000	2,118,811
Community service	-	-	-	-	-
Student activities	-	-	-	-	-
Interest	1,664,981	1,320,485	1,010,717	1,234,003	3,243,610
Total governmental activities	<u>38,059,169</u>	<u>41,606,384</u>	<u>46,425,685</u>	<u>68,037,254</u>	<u>78,109,516</u>
Business-type activities					
Food services	1,207,215	-	-	-	-
Total business-type activities	<u>1,207,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 39,266,384</u>	<u>\$ 41,606,384</u>	<u>\$ 46,425,685</u>	<u>\$ 68,037,254</u>	<u>\$ 78,109,516</u>
Program revenues					
Governmental activities:					
Charges for service	\$ 587,089	\$ 940,015	\$ 1,030,502	\$ 1,154,951	\$ 1,173,558
Operating grant and contributions	1,487,886	2,521,010	2,705,099	2,939,785	2,866,329
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>2,074,975</u>	<u>3,461,025</u>	<u>3,735,601</u>	<u>4,094,736</u>	<u>4,039,887</u>
Business-type activities:					
Charges for service					
Food service	493,890	-	-	-	-
Operating grant and contributions	651,045	-	-	-	-
Total business-type activities program revenues	<u>1,144,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 3,219,910</u>	<u>\$ 3,461,025</u>	<u>\$ 3,735,601</u>	<u>\$ 4,094,736</u>	<u>\$ 4,039,887</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year				
2019	2020	2021	2022	2023
\$ 26,456,861	\$ 26,595,362	\$ 21,159,126	\$ 21,636,005	\$ 41,290,455
6,183,136	6,752,045	7,344,798	6,793,127	10,435,719
1,673,917	1,604,733	1,175,310	1,352,191	2,340,468
4,728,831	5,782,496	5,048,567	5,441,359	7,091,018
2,396,478	2,461,366	2,527,647	1,802,003	3,395,109
3,055,948	3,162,745	2,832,745	2,866,276	4,968,391
1,471,318	1,231,276	1,221,504	1,559,999	1,984,891
2,750	8,923	-	-	173,169
-	642,469	439,969	817,760	1,049,427
3,020,278	2,884,135	2,932,421	2,075,563	1,937,149
<u>48,989,517</u>	<u>51,125,550</u>	<u>44,682,087</u>	<u>44,344,283</u>	<u>74,665,796</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 48,989,517</u>	<u>\$ 51,125,550</u>	<u>\$ 44,682,087</u>	<u>\$ 44,344,283</u>	<u>\$ 74,665,796</u>
\$ 1,248,016	\$ 1,791,358	\$ 1,010,050	\$ 1,650,424	\$ 2,452,295
4,351,476	3,988,746	6,383,447	6,389,235	10,288,812
-	70,499	25,210	601	-
<u>5,599,492</u>	<u>5,850,603</u>	<u>7,418,707</u>	<u>8,040,260</u>	<u>12,741,107</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,599,492</u>	<u>\$ 5,850,603</u>	<u>\$ 7,418,707</u>	<u>\$ 8,040,260</u>	<u>\$ 12,741,107</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2013	2014	2015	2016	2017
Net (Expense) / Revenue					
Governmental activities	\$ (33,501,809)	\$ (35,984,194)	\$ (38,145,359)	\$ (42,690,084)	\$ (63,942,518)
Business-type activities	(11,143)	(62,280)	-	-	-
Total primary government net expense	<u>\$ (33,512,952)</u>	<u>\$ (36,046,474)</u>	<u>\$ (38,145,359)</u>	<u>\$ (42,690,084)</u>	<u>\$ (63,942,518)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes					
Local property taxes	\$ 31,734,595	\$ 31,232,839	\$ 31,218,782	\$ 33,798,849	\$ 36,620,422
Specific ownership taxes	1,375,567	1,590,334	1,653,562	1,738,337	1,910,831
State revenue	2,716,960	4,769,090	6,293,409	6,439,603	6,934,642
Grants not restricted to specific programs	452,934	471,692	641,786	741,877	816,908
Gain (loss) on asset disposition	11,453	188,754	4,000	(4,345)	30,760
Interest and investment earnings	23,374	16,261	13,459	19,506	398,340
Transfers	(11,143)	(277,390)	-	-	-
Total governmental activities	<u>36,303,740</u>	<u>37,991,580</u>	<u>39,824,998</u>	<u>42,733,827</u>	<u>46,711,903</u>

Business-type activities:

Transfers	(11,143)	(277,390)	-	-	-
Total business-type activities	<u>(11,143)</u>	<u>(277,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 36,292,597</u>	<u>\$ 37,714,190</u>	<u>\$ 39,824,998</u>	<u>\$ 42,733,827</u>	<u>\$ 46,711,903</u>

Change in Net Position

Governmental activities	\$ 2,916,991	\$ 2,007,386	\$ 1,679,639	\$ 43,743	\$ (17,230,615)
Business-type activities	(339,670)	215,110	-	-	-
Total primary government	<u>\$ 2,577,321</u>	<u>\$ 2,222,496</u>	<u>\$ 1,679,639</u>	<u>\$ 43,743</u>	<u>\$ (17,230,615)</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

		Fiscal Year				
2018	2019	2020	2021	2022	2023	
\$ (74,069,629)	\$ (43,390,025)	\$ (45,274,947)	\$ (37,263,380)	\$ (36,304,023)	\$ (61,924,689)	
-	-	-	-	-	-	
<u>\$ (74,069,629)</u>	<u>\$ (43,390,025)</u>	<u>\$ (45,274,947)</u>	<u>\$ (37,263,380)</u>	<u>\$ (36,304,023)</u>	<u>\$ (61,924,689)</u>	

\$ 38,191,958	\$ 38,381,181	\$ 42,769,525	\$ 42,620,877	\$ 46,220,013	\$ 45,678,139	
2,236,696	2,211,655	2,041,931	2,415,365	2,237,091	2,304,698	
7,342,132	9,685,376	6,609,459	4,634,587	6,887,257	9,542,536	
968,889	1,068,667	1,175,240	1,125,353	1,283,445	1,125,854	
-	22,087	506,344	(8,042)	7,164	-	
1,205,270	875,059	388,361	26,130	38,203	514,262	
-	-	-	-	-	-	
<u>49,944,945</u>	<u>52,244,025</u>	<u>53,490,860</u>	<u>50,814,270</u>	<u>56,673,173</u>	<u>59,165,489</u>	

-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 49,944,945</u>	<u>\$ 52,244,025</u>	<u>\$ 53,490,860</u>	<u>\$ 50,814,270</u>	<u>\$ 56,673,173</u>	<u>\$ 59,165,489</u>	

\$ (24,124,684)	\$ 8,854,000	\$ 8,215,913	\$ 13,550,890	\$ 20,369,150	\$ (2,759,200)	
-	-	-	-	-	-	
<u>\$ (24,124,684)</u>	<u>\$ 8,854,000</u>	<u>\$ 8,215,913</u>	<u>\$ 13,550,890</u>	<u>\$ 20,369,150</u>	<u>\$ (2,759,200)</u>	

SUMMIT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Non-spendable	\$ 46,702	\$ 156,913	\$ 106,782	\$ 86,195
Spendable				
Restricted	797,200	783,600	852,100	924,700
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	7,855,994	8,603,375	8,607,808	9,146,519
Total general fund	<u>\$ 8,699,896</u>	<u>\$ 9,543,888</u>	<u>\$ 9,566,690</u>	<u>\$ 10,157,414</u>
All Other Governmental Funds				
Non-spendable	\$ -	\$ -	\$ 34,969	\$ 35,045
Spendable				
Restricted	6,041,276	6,057,519	7,371,432	11,035,178
Committed	2,179,482	-	-	1,533,436
Assigned	-	2,112,889	602,146	72,429,127
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 8,220,758</u>	<u>\$ 8,170,408</u>	<u>\$ 8,008,547</u>	<u>\$ 85,032,786</u>
Total Governmental Funds				
Non-spendable	\$ 156,913	\$ 156,913	\$ 141,751	\$ 121,240
Spendable				
Restricted	6,838,476	6,841,119	8,223,532	11,959,878
Committed	-	-	-	1,533,436
Assigned	2,179,482	2,112,889	602,146	72,429,127
Unassigned	7,855,994	8,603,375	8,607,808	9,146,519
Total governmental funds	<u>\$ 17,030,865</u>	<u>\$ 17,714,296</u>	<u>\$ 17,575,237</u>	<u>\$ 95,190,200</u>

SUMMIT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year					
		2018	2019	2020	2021	2022	2023
\$	76,003	\$ 181,319	\$ 172,411	\$ 170,485	\$ 126,360	\$ 294,800	
	953,900	1,007,900	1,046,700	1,017,600	1,178,300	1,257,900	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	10,493,869	11,281,366	9,989,007	9,190,604	10,491,490	9,849,867	
\$	11,523,772	\$ 12,470,585	\$ 11,208,118	\$ 10,378,689	\$ 11,796,150	\$ 11,402,567	
<hr/>							
\$	30,295	\$ 27,689	\$ 111,050	\$ 76,735	\$ 178,604	\$ 204,203	
	-	-	-	-	-	-	
	10,626,157	9,926,008	9,125,225	8,570,570	8,820,646	8,958,942	
	2,900,498	3,738,049	1,205,305	1,440,337	449,296	1,831,349	
	34,487,824	5,418,762	2,160,763	1,544,443	1,129,038	847,681	
	-	-	(17,257)	-	(100)	(3,698)	
\$	48,044,774	\$ 19,110,508	\$ 12,585,086	\$ 11,632,085	\$ 10,577,484	\$ 11,838,477	
<hr/>							
\$	106,298	\$ 209,008	\$ 283,461	\$ 247,220	\$ 304,964	\$ 499,003	
	11,580,057	10,933,908	10,171,925	9,588,170	9,998,946	10,216,842	
	2,900,498	3,738,051	1,205,305	1,440,337	449,296	1,831,349	
	34,487,824	5,418,762	2,160,763	1,544,443	1,129,038	847,681	
	10,493,869	11,281,366	9,971,750	9,190,604	10,491,390	9,846,169	
\$	59,568,546	\$ 31,581,095	\$ 23,793,204	\$ 22,010,774	\$ 22,373,634	\$ 23,241,044	

SUMMIT SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
REVENUES				
Taxes				
Property taxes	\$ 31,294,087	\$ 31,270,541	\$ 33,709,697	\$ 36,739,092
Specific ownership taxes	1,590,334	1,653,562	1,738,337	1,910,831
Federal income	889,405	1,648,293	1,695,126	1,787,755
State income	5,087,451	6,899,428	7,050,963	7,651,938
Investment Income	16,261	13,459	19,506	398,340
Other	1,527,655	1,852,500	2,175,241	2,437,354
Total revenues	<u>40,405,193</u>	<u>43,337,783</u>	<u>46,388,870</u>	<u>50,925,310</u>
EXPENDITURES				
Current:				
Direct instruction	19,219,670	20,092,238	21,106,751	22,754,888
Indirect instruction	4,219,175	4,427,418	5,547,187	5,173,184
Transportation	1,597,231	1,529,765	1,758,638	1,745,476
Custodial and maintenance	3,890,907	3,677,108	3,733,441	3,655,064
Support services	1,920,905	2,008,723	2,308,313	2,188,439
General and school administration	2,300,791	2,478,405	2,517,211	2,624,234
Student Activity	-	-	-	-
Food service operations	-	1,203,083	1,283,224	1,420,355
Community service	-	-	-	-
Debt Service:				
Principal	4,965,000	5,325,000	5,035,000	2,885,000
Interest	1,773,170	1,412,570	1,118,523	1,991,268
Fiscal Charges				
Capital outlay	1,179,243	389,830	2,119,641	7,266,446
Total expenditures	<u>41,066,092</u>	<u>42,544,140</u>	<u>46,527,929</u>	<u>51,704,354</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(660,899)</u>	<u>793,643</u>	<u>(139,059)</u>	<u>(779,044)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	68,445,000
Payment to refunded debt escrow agent	-	-	-	-
Premium on bond issuance	-	-	-	9,949,006
Bond issuance costs	-	-	-	-
Property settlement	-	-	-	-
Operating transfers (in/out)	(277,390)	-	-	-
Total other financing sources (uses)	<u>(277,390)</u>	<u>-</u>	<u>-</u>	<u>78,394,006</u>
NET CHANGE IN FUND BALANCES	<u>\$ (938,289)</u>	<u>\$ 793,643</u>	<u>\$ (139,059)</u>	<u>\$ 77,614,962</u>
Debt service as a percentage of noncapital expenditures	16.9%	16.0%	13.9%	11.0%

SUMMIT SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 38,150,372	\$ 38,315,011	\$ 41,897,297	\$ 43,302,280	\$ 46,111,332	\$ 45,798,857
2,236,696	2,211,655	2,041,931	2,415,365	2,237,091	2,304,698
1,813,207	1,839,309	2,408,980	5,011,847	5,464,079	4,116,593
8,121,708	11,775,031	8,776,864	6,254,779	9,643,796	13,364,679
1,205,270	875,059	388,361	26,130	38,203	514,262
2,415,987	2,705,024	2,730,938	1,918,869	2,615,010	3,384,245
53,943,240	57,721,089	58,244,371	58,929,270	66,109,511	69,483,334
23,130,414	25,576,277	27,747,360	26,724,480	29,022,110	32,361,926
5,566,875	6,336,656	7,333,181	8,423,908	8,888,603	8,481,868
1,500,674	1,562,221	1,571,301	1,298,497	1,601,558	1,859,713
3,915,780	4,345,576	4,818,409	4,855,942	5,076,440	5,642,808
2,329,030	2,196,813	2,144,888	2,669,545	2,025,508	2,591,941
2,991,115	3,050,692	3,337,020	3,350,889	3,619,371	3,882,177
-	-	642,469	439,968	817,761	1,049,427
1,494,830	1,599,034	1,411,413	1,353,518	1,958,007	1,858,370
-	-	-	-	-	172,731
4,925,000	5,345,000	5,505,000	5,690,000	6,059,999	6,410,000
4,042,600	3,874,200	3,700,375	3,488,300	2,835,313	2,637,885
		18,421	1,702	1,240	11,803
39,668,576	31,822,071	8,533,174	2,414,951	3,203,206	954,759
89,564,894	85,708,540	66,763,011	60,711,700	65,109,116	67,915,408
(35,621,654)	(27,987,451)	(8,518,640)	(1,782,430)	1,000,395	1,567,926
-	-	-	11,225,000	-	-
-	-	-	(11,070,644)	-	-
-	-	-	-	-	-
-	-	-	(154,356)	7,465	-
-	-	-	-	472,421	640,061
-	-	-	-	(1,117,421)	(1,340,577)
-	-	-	-	(637,535)	(700,516)
<u>\$ (35,621,654)</u>	<u>\$ (27,987,451)</u>	<u>\$ (8,518,640)</u>	<u>\$ (1,782,430)</u>	<u>\$ 362,860</u>	<u>\$ 867,410</u>
18.0%	17.1%	15.8%	15.7%	14.4%	13.5%

SUMMIT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2013	1,447,113,911	14,258,248,662	96,286,458	332,027,182
2014	1,458,034,820	14,430,227,120	102,719,660	354,210,610
2015	1,600,747,120	15,869,133,660	133,169,740	459,206,010
2016	1,613,996,210	16,109,753,170	131,985,310	455,121,740
2017	1,735,358,263	18,797,206,084	135,744,439	468,084,134
2018	1,756,592,610	19,167,843,410	141,126,580	486,643,210
2019	2,106,124,819	23,458,351,732	151,315,086	521,775,864
2020	2,116,534,840	23,875,775,190	155,079,370	534,756,020
2021	2,331,822,274	26,531,398,676	145,719,480	502,480,736
2022	2,317,872,469	26,958,589,777	141,093,626	486,546,672

Source: Summit County Assessor's Office

** Per \$1,000 of assessed value

Note: The assessment ratios for all taxable property in the State of Colorado are as follows:

Years	Residential	Commercial
2013	7.96%	29.00%
2014	7.96%	29.00%
2015	7.96%	29.00%
2016	7.96%	29.00%
2017	7.20%	29.00%
2018	7.20%	29.00%
2019	7.15%	29.00%
2020	7.15%	29.00%
2021	7.15%	29.00%

SUMMIT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Real Property Exemptions		Total Taxable Value		Total Direct Tax Rate**
Assessed Value	Actual Value	Assessed Value	Actual Value	
91,676,980	316,129,325	1,635,077,349	14,906,405,169	12.789
92,154,970	317,777,420	1,652,909,450	15,102,215,150	15.173
92,928,560	320,443,210	1,826,845,420	16,648,782,880	15.072
134,260,190	426,996,030	1,880,241,710	17,027,870,940	15.086
138,136,616	476,333,058	2,009,239,318	19,741,623,276	14.986
140,486,340	484,435,550	2,038,205,530	20,138,922,170	19.643
130,707,090	450,714,018	2,388,146,995	24,430,841,614	19.280
136,392,840	470,320,070	2,408,007,050	24,880,851,280	19.603
140,214,232	483,497,264	2,617,755,986	27,517,376,676	19.530
142,505,703	515,832,971	2,061,471,798	27,960,969,420	19.809

SUMMIT SCHOOL DISTRICT
Assessed Valuation of Classes of Property in the District
Last Five Fiscal Years

Class	2018		2019	
	Assessed Value	Percent of Total	Assessed Value	Percent of Total
Residential	\$ 1,249,876,130	66.15%	\$ 1,529,649,460	68.06%
Commercial	415,373,050	21.98%	478,396,250	21.29%
Industrial	39,571,600	2.09%	37,946,080	1.69%
Agricultural	1,074,530	0.06%	1,066,020	0.05%
Natural Resources	946,490	0.05%	836,270	0.04%
Vacant	140,755,180	7.45%	155,889,600	6.94%
State Assessed	41,918,430	2.22%	43,782,950	1.95%
TOTAL	\$ 1,889,515,410	100.00%	\$ 2,247,566,630	100.00%

Source: Summit County Assessor's Office

SUMMIT SCHOOL DISTRICT
Assessed Valuation of Classes of Property in the District
Last Five Fiscal Years

2020		2021		2022	
Assessed Value	Percent of Total	Assessed Value	Percent of Total	Assessed Value	Percent of Total
\$ 1,565,654,310	69.22%	\$ 1,747,418,021	70.79%	\$ 1,725,805,033	70.45%
483,158,400	21.36%	498,061,230	20.18%	514,148,412	20.99%
34,748,050	1.54%	32,978,182	1.34%	29,711,824	1.21%
1,047,270	0.05%	763,307	0.03%	687,064	0.03%
888,680	0.04%	805,366	0.03%	654,114	0.03%
130,049,130	5.75%	139,606,391	5.66%	128,344,805	5.24%
46,435,150	2.05%	48,681,202	1.97%	50,334,689	2.05%
\$ 2,261,980,990	100.00%	\$ 2,468,313,699	100.00%	\$ 2,449,685,941	100.00%

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

	Fiscal Year			
	2014	2015	2016	2017
Summit School District				
General operations	14.708	14.670	14.273	14.278
General obligation debt service	4.421	4.350	4.350	4.921
Full day kindergarten	0.573	0.548	0.485	0.445
Transportation	0.573	0.567	0.510	0.507
Special building and technology	-	-	-	1.000
Total direct property tax rate	<u>20.275</u>	<u>20.135</u>	<u>19.618</u>	<u>21.151</u>
Overlapping Rates				
Summit County Government	12.789	15.173	15.072	15.086
Colorado Mountain College	3.997	3.997	3.997	3.997
Town of Blue River	12.290	12.314	12.308	12.324
Town of Breckenridge	5.070	5.070	5.070	5.070
Town of Dillon	3.351	3.351	3.351	3.351
Town of Frisco	0.798	0.798	0.798	0.798
Town of Montezuma	3.188	3.188	3.188	3.188
Town of Silverthorne	-	-	-	-
Alpensee Water District	50.000	50.000	50.000	50.000
Alpine Metro District	-	-	-	-
Breckenridge Mt Metro District	25.000	25.000	25.000	25.750
Breckenridge Mt Metro District , Sub -A				
Buffalo Mt Metro District	15.000	15.000	15.000	15.000
Colorado River Water Conservation District	0.254	0.025	0.243	0.253
Copper Mt Cons Metro District	30.500	30.632	29.136	40.644
Corinthian Hills Metro District	10.400	9.000	9.000	9.064
Dillon Fire Protection District	-	-	-	-
Dillon Valley Metro District	-	-	-	-
Eagles Nest Metropolitan District	15.007	15.023	15.000	15.020
East Dillon Water District	3.699	3.684	3.380	3.373
Frisco Fire Protection District	-	-	-	-
Frisco Sanitation District	-	-	-	-
Fourth Street Crossing Bus Improvement District				
Fourth North Metro Dist No. 1				
Fourth North Metro Dist No. 2				
Fourth Street Bus Improv Dist (temporary)				
Fourth Street Metro Dist				
Hamilton Creek Metro District	40.000	40.000	40.000	40.000
Heeney Water District	6.960	6.960	6.960	6.960
Kremmling Memorial Hospital District	5.604	6.556	6.556	7.045
Lake Dillon Fire Protection District	9.014	9.016	9.026	9.023
Summit Fire and EMS				
Lower Blue Fire Protection District	4.305	4.199	4.026	4.067
Middle Park Water Conservancy District	0.056	0.056	0.055	0.055
Red, White & Blue Fire Protection District	9.014	9.018	9.004	9.038
Silverthorne Fire Protection District	-	-	-	-
Snake River Fire Protection District	0.340	-	-	-
Snake River Water District	-	-	-	-
South Maryland Creek Mreto District	-	-	-	17.000
Swan's Nest Metro District	35.000	35.000	35.000	35.000
Timber Creek Water District	10.000	10.000	10.000	10.000
Willow Brook Metro District	61.717	62.130	61.840	61.840
Willow Brook Metro District (Bond Only)	-	-	-	-

Source: Summit County Assessor's Office

Note: The District's property tax rate may be increased only by a majority vote of the District's residents.

Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the boundaries of the Summit School District. Not all overlapping rates apply to all Summit School District property owners; for example, although the County property tax rate apply to all school district property owners the Snake River Fire Protection District rates apply only to the residents of Keystone whose property is located within that district's geographic boundaries.

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year					
2018	2019	2020	2021	2022	2023
13.993	13.971	13.867	13.969	13.722	13.695
4.611	4.550	3.832	3.823	3.753	3.811
0.473	0.429	0.000	0.000	0.000	0.000
0.448	0.467	0.393	0.391	0.360	0.365
1.000	1.000	1.000	1.000	1.000	1.000
20.525	20.417	19.092	19.183	18.835	18.871
14.986	19.643	19.280	19.603	19.530	19.809
3.997	3.997	4.013	4.013	4.013	4.085
12.290	12.290	12.290	12.290	12.290	12.290
5.070	5.070	5.070	5.070	5.070	5.070
3.338	3.351	3.024	3.024	2.902	3.083
0.798	0.798	0.798	0.798	0.798	0.798
3.188	3.188	3.188	3.188	3.188	3.188
-	0.000	0.000	0.000	0.000	0.000
50.000	50.000	50.000	50.000	50.000	50.000
-	0.000	0.000	0.000	0.000	0.000
25.750	24.500	22.500	25.500	25.500	24.500
					65.000
15.000	15.000	15.000	15.000	15.000	15.000
0.254	0.256	0.235	0.502	0.501	0.501
39.790	39.735	35.398	24.930	20.178	20.612
10.400	11.073	10.468	11.408	11.917	7.912
-	0.000	0.000	0.000	0.000	0.000
-	0.000	0.000	0.000	0.000	0.000
15.052	3.757	0.000	0.000	0.000	0.000
3.244	3.224	2.733	2.732	2.447	2.498
-	0.000	0.000	0.000	0.000	0.000
-	0.000	0.000	0.000	0.000	0.000
		12.000	16.000	16.000	16.000
		62.000	66.000	66.000	66.000
					66.000
					16.000
					66.000
40.000	40.000	40.000	40.000	40.000	40.000
6.960	6.960	6.960	6.960	6.960	6.960
7.045	7.045	7.045	7.045	7.045	7.045
9.003	9.007	9.055	9.094	0.000	0.000
				13.099	13.826
3.694	3.694	3.014	3.068	3.189	3.194
0.055	0.055	0.048	0.048	0.046	0.046
9.008	9.015	9.053	9.118	9.110	9.250
-	0.000	0.000	0.000	0.000	0.000
-	0.000	0.000	0.000	0.000	0.000
-	0.000	0.000	0.000	0.000	0.000
63.016	63.016	63.456	63.456	63.456	64.696
35.000	35.000	24.000	24.000	19.000	19.000
10.000	10.000	10.000	10.000	10.000	9.437
62.400	81.883	93.642	82.156	78.727	93.455
-	0.000	0.000	0.000	0.000	0.000

**SUMMIT SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	Fiscal Year 2023*		Fiscal Year 2014*	
	Taxable Assessed Value	% of Total County Taxable Assessed Valuation	Taxable Assessed Value	% of Total County Taxable Assessed Valuation
Vail Summit Resorts Inc	\$ 77,397,719	3.15%	\$ 60,283,033	3.91%
Climax Molybdenum Company	29,712,074	1.21%	15,260,893	0.99%
Public Service Co Of Colorado	39,827,364	1.62%	24,874,489	1.61%
Powdr - Copper Mountain LLC	19,908,269	0.81%	10,604,375	0.69%
Dillon Medical Properties LLC	16,350,324	0.66%		
Powdr - Copper Participation LLC	10,727,126	0.44%	7,953,662	0.52%
Peak 8 Properties LLC	10,394,673	0.42%	-	0.00%
Gold Point Lodging & Realty Inc	10,356,660	0.42%	8,486,769	0.55%
Craig Realty Group-Silverthorne LLC	9,114,033	0.37%	10,910,056	0.71%
Grand Lodge on Peak 7 Intrvl Owner Assoc	-	0.00%	6,048,822	0.39%
Brynn Grey X LLC	8,220,647	0.33%	-	0.00%
Qwest Corporation - change to Peak 8 Properties LLC	-	0.00%	6,281,481	0.41%
Beaver Run Interim Centr Acquisition LLC	-	0.00%	6,755,555	0.44%
One Ski Hill Place LLC - change to Qwest Corporatic	-	0.00%	-	0.00%
Total for 10 largest taxpayers	\$ 232,008,889	9.43%	\$ 157,459,135	10.22%
Total for all other taxpayers	\$ 2,226,957,211	90.56%	\$ 1,385,941,235	89.80%
	\$ 2,458,966,100	100.00%	\$ 1,543,400,370	100.00%

Source: Summit County Assessor's Office

*School District Fiscal Year Ending June 30

**SUMMIT SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	% of Levy		Amount	% of Levy
2014	31,146,546	30,110,670	96.7%	990,181	31,100,851	99.9%
2015	31,262,720	30,311,943	97.0%	897,052	31,208,995	99.8%
2016	33,832,580	32,727,895	96.7%	1,015,423	33,743,318	99.7%
2017	36,726,207	35,675,658	97.1%	1,005,396	36,681,054	99.9%
2018	38,160,402	36,945,888	96.8%	1,129,637	38,075,525	99.8%
2019	38,454,918	37,104,706	96.5%	1,287,124	38,391,830	99.8%
2020	42,721,176	40,343,538	94.4%	2,135,984	42,479,522	99.4%
2021	43,152,658	41,377,219	95.9%	1,678,965	43,056,184	99.8%
2022	45,986,924	44,022,073	95.7%	1,853,435	45,875,508	99.8%
2023	45,461,171	43,569,054	95.8%		43,569,054	95.8%

Collections through June 30, 2023

Source: Summit School District Business Services Department Property Tax Worksheet

SUMMIT SCHOOL DISTRICT
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Net Bonded Debt per Capita</u>	<u>Percentage of Median Household Income</u>
2014	39,775,000	2.43%	1,353	1.98%
2015	34,450,000	2.08%	1,157	1.69%
2016	29,415,000	1.61%	979	1.43%
2017	94,975,000	5.05%	3,115	4.56%
2018	90,050,000	4.48%	2,944	4.19%
2019	84,705,000	4.16%	2,732	3.72%
2020	79,200,000	3.32%	2,554	3.29%
2021	73,885,000	3.07%	2,353	2.97%
2022	67,825,000	2.59%	2,192	2.72%
2023	61,415,000	2.98%	2,009	2.15%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alpensee Water District	\$ 638,000	100%	\$ 638,000
Breckenridge Mountain Metro District	21,940,000	100%	21,940,000
Copper Mtn. Consolidated Metro District	2,455,000	100%	2,455,000
Eagles Nest Metropolitan District	-	100%	-
East Dillon Water District	1,817,870	100%	1,817,870
Fourth Street Metro District	104,132,000		104,132,000
Heeney Water District	-	100%	-
Kremmling Memorial Hospital District	38,005,264	5%	1,900,263
South Maryland Creek Ranch	15,517,872	100%	15,517,872
Swans Nest Metropolitan District	390,000	100%	390,000
Summit County Government	-	100%	1,128,872
Timber Creek Water District	45,000	100%	45,000
Town of Breckenridge	105,487,447	100%	105,487,447
Town of Frisco	7,295,700	100%	7,295,700
West Grand School District #1-JT	3,386,625	2.2%	74,506
Willowbrook Metro District	-		-
Subtotal, overlapping debt	301,110,778		262,822,530
Summit County School District direct debt	61,415,000	100%	61,415,000
Total direct and overlapping debt	<u>\$ 362,525,778</u>		<u>\$ 324,237,530</u>

Source: Assessed value data used to estimate applicable percentages provided by the Summit County Assessor's Office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of outstanding debt of those overlapping governments that are borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**SUMMIT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year			
	2014	2015	2016	2017
Assessed valuation	\$ 1,536,204,510	\$ 1,552,655,580	\$ 1,724,568,190	\$ 1,736,381,600
Debt limit (20% of assessed valuation)	\$ 307,240,902	\$ 310,531,116	\$ 344,913,638	\$ 347,276,320
Debt applicable to limit:				
General obligation bonds	\$ 39,775,000	\$ 34,450,000	\$ 29,415,000	\$ 94,975,000
Less: Amount set aside for repayment of general obligation debt	(6,041,276)	(6,057,519)	(7,371,432)	(11,035,178)
Total net debt applicable to limit	33,733,724	28,392,481	22,043,568	83,939,822
Legal debt margin	\$ 273,507,178	\$ 282,138,635	\$ 322,870,070	\$ 263,336,498
Total net debt applicable to the limit as a percentage of debt limit	10.98%	9.14%	6.39%	24.17%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

SUMMIT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,859,215,660	\$ 1,883,475,430	\$ 2,237,648,040	\$ 2,249,526,050	\$ 2,441,567,490	\$ 2,409,049,400
\$ 371,843,132	\$ 376,695,086	\$ 447,529,608	\$ 449,905,210	\$ 488,313,498	\$ 481,809,880
\$ 90,050,000	\$ 84,705,000	\$ 79,200,000	73,885,000	67,825,000	61,415,000
(10,626,157)	(9,926,008)	(9,125,225)	(8,570,570)	(8,820,646)	(8,958,942)
79,423,843	74,778,992	70,074,775	65,314,430	59,004,354	52,456,058
\$ 292,419,289	\$ 301,916,094	\$ 377,454,833	\$ 384,590,780	\$ 429,309,144	\$ 429,353,822
21.36%	19.85%	15.66%	14.52%	12.08%	10.89%

SUMMIT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Median Household Income	October 1 School Enrollment	October 1 Funded Pupil Count	Total Program Per Pupil Funding	Colorado Unemployment Rate
2014	29,399	\$68,333	3,287	3,049.0	\$6,934.66	5.8%
2015	29,777	\$68,333	3,345	3,141.9	\$7,317.25	4.0%
2016	30,039	\$68,333	3,506	3,294.9	\$7,593.98	2.1%
2017	30,489	\$68,333	3,557	3,352.4	\$7,671.60	2.1%
2018	30,585	\$70,192	3,592	3,394.8	\$7,921.35	2.7%
2019	31,007	\$73,538	3,577	3,397.5	\$8,430.88	2.9%
2020	31,011	\$77,589	3,582	3,511.0	\$8,808.54	11.4%
2021	31,399	\$79,277	3,454	3,466.3	\$8,440.60	6.2%
2022	30,941	\$80,709	3,620	3,541.0	\$9,430.02	3.4%
2023	30,565	\$93,505	3,650	3,549.5	\$10,077.25	3.1%

Sources: Population, median household income and unemployment rate information provided by Summit County, Colorado Division of Local Government (LMI), U.S. Census Bureau, and Wikipedia. School enrollment data provided by the Summit School District Business Services Department. Total program per pupil funding provided by the Colorado Department of Education.

SUMMIT SCHOOL DISTRICT
Enrollment by Grade - Total Count
Last Five Fiscal Years
(Unaudited)

<u>Grade</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
PK	139	137	130	130	169
K	238	231	241	287	236
1	257	256	218	243	288
2	260	276	239	226	248
3	268	258	263	253	225
4	287	281	245	270	237
5	296	285	270	262	270
6	282	293	269	271	254
7	274	279	288	273	255
8	262	276	266	300	275
9	271	268	293	284	318
10	233	260	258	303	286
11	269	220	250	261	312
12	241	262	224	257	277

**SUMMIT SCHOOL DISTRICT
Schedule of Insurance
(Unaudited)**

Description of Insurance	Carrier or Pool	Coverage Limit	Deductible
General & School Liability	CSDSIP*	\$2,000,000/occurrence \$5,000,000 aggregate	\$2,500
Property including:	CSDSIP	\$130,273,815	\$5,000
Equipment Breakdown	CSDSIP	\$250,000,000	\$1,000
Automobile liability:	CSDSIP		
Combined single limit		\$2,000,000	\$0
Personal injury protection		\$5,000	\$0
Crime:	CSDSIP	\$1,000,000	\$500
Pollution	CSDSIP	\$1,000,000	\$5,000
Data Compromise	CSDSIP	\$1,000,000	\$5,000
NCBR Terrorism	CSDSIP	\$10,000,000	\$5,000
School Crisis Act	CSDSIP	\$250,000	\$0
Worker's Compensation	Pinnacle Assurance		\$5,000
Unemployment	State of Colorado	Claims basis	
Underground Storage Tanks	ACE American Insurance	\$1,000,000/occurrence \$2,000,000 aggregate	\$5,000
International Liability	ACE American Insurance	Multi-tiered coverage	

*Colorado School Districts' Self Insurance Pool

Source: School District Records

**SUMMIT SCHOOL DISTRICT
Principal Employers
Current Year**

<u>Employer</u>	<u>Range of Employees</u>	<u>% of Total County Employment</u>
Copper Mountain Ski Resort	1000-4999	4.44-22%
Breckenridge Ski Resort	500-999	2.2-4.43%
Keystone Resort Ski/Ride School	500-999	2.2-4.43%
Peak Ready Mix Asphalt - Affrfts	500-999	2.2-4.43%
Summit School District RE-1	523	2.30%
Summit County Government	466	2.0%
Village at Breckenridge	Not Reported	1.1-2.19%
City Market	250-499	1.1-2.19%
Beaver Run Resort & Conference Center	100-249	.4-.99%
Grand Timber Lodge	100-249	.44-1.09%
Town of Breckenridge	100-249	.44-1.09%
St. Anthony Summit Medical Ctr	100-249	.44-1.09%
Town of Silverthorne	100-249	.44-1.09%
Arapahoe Basin Ski Area	100-249	.44-1.09%
Target	100-249	.44-1.09%
Resort Quest Breckenridge	Not Reported	.44-1.09%
Whole Foods	100-249	.44-1.09%
Lowes	100-249	.44-1.09%
Walmart	100-249	.44-1.09%
 Total Employees in Summit County	 24,593	

Source: Colorado Department of Labor and Employment - LMI Gateway

SUMMIT SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Governmental Fund Expenditures	Funded Students	Cost Per Pupil	Percentage Change	Teaching Staff FTE	Pupil Teacher Ratio
2014	\$41,066,092	3,049.0	\$13,469	2.1%	272.61	11.18
2015	\$42,544,140	3,141.9	\$13,541	0.5%	279.45	11.24
2016	\$46,527,929	3,294.9	\$14,121	4.3%	284.18	11.59
2017	\$51,704,354	3,352.4	\$15,423	9.2%	307.41	10.91
2018	\$89,564,894	3,394.8	\$26,383	71.1%	310.52	10.93
2019	\$85,708,540	3,397.5	\$25,227	-4.4%	320.81	10.59
2020	\$66,763,011	3,511.0	\$19,015	-24.6%	322.48	10.89
2021	\$60,711,700	3,380.5	\$17,959	-5.6%	319.55	10.58
2022	\$65,109,116	3,541.0	\$18,387	2.4%	334.72	10.58
2023	\$67,915,408	3,546.5	\$19,150	4.1%	342.56	10.35

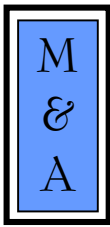
Sources: Nonfinancial information provided by the district's personnel

Note: Enrollment based on October enrollment. Teaching staff are full-time equivalents for the year as a whole.

Summit School District RE-1

Reports and Schedules for Reporting Requirements
Of Uniform Guidance





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Certified Public Accountants and Consultants

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

**To the Board of Education
Summit School District RE-1
Frisco, Colorado,**

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 Summit School District RE-1 (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated .

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 on the effectiveness of the District's internal control.

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

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, CO

Compliance and Other Matters

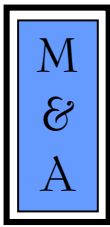
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 20, 2023



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 REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
Summit School District RE-1
Frisco, Colorado**

Report on Compliance for Each Major Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, Colorado**

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, Colorado

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 20, 2023

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

Part I: Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs – Education Stabilization Fund ("ESF")	ALN 84.425
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	Yes

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

Summit School District RE-1
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, 2022.

SUMMIT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Grant Project Code	Expenditures	
United States Department of Education				
Passed through State Department of Education:				
Title I				
Title I, Part A	84.010	4010	\$ 232,378	
Title I, Homeless Set Aside	84.010	9202	50	
Title IA, Improving Basic Programs Operated by Schools	84.010A	5010	37,015	
Total Title I			<u>269,443</u>	
IDEA Part B				
IDEA Part B, Flow through 94.142 Special Education	84.027	4027	629,797	B
IDEA Part B, American Rescue Plan	84.027X	6027	72,919	B
Total IDEA Part B			<u>702,716</u>	
IDEA Preschool				
IDEA Preschool, 99-457	84.173	4173	16,577	B
IDEA Preschool, American Rescue Plan	84.173X	6173	16,577	B
Total IDEA Preschool			<u>33,154</u>	
IDEA Child Find				
IDEA Child Find	84.181A	5181	172,423	
Title III				
Title III Part A, English Language Acquisition, Language Enhancement	84.365A	4365	103,001	
Title III Part A, English Language Acquisition, Language Enhancement	84.365A	7365	69,422	
Total Title III			<u>172,423</u>	
Title II, Part A Teacher and Principal Training and Recruiting				
Title II, Part A Teacher and Principal Training and Recruiting	84.367	4367	56,638	
Title IV, Student Support	84.424	4424	8,118	
ESSER, Elementary and Secondary School Emergency Relief				
ESSER III 90% LEA Allocation	84.425U	4414	638,995	
ESSER III - Learning Loss Set-Aside	84.425U	9414	127,309	
ESSER III ARP 9.5% State Set-Aside, Supplemental	84.425U	4418	19,679	
ESSER II 9.5% (State Reserve)	84.425D	4419	2,327	
ESSER II - Distribution 90%	84.425D	4420	87,325	
ESSER III ARP 9.5% State Set-Aside, EASI	84.425D	4437	17,327	
ESSER III ARP 9.5% State Set-Aside, Expanded Learning Opportunities, After School Programming	84.425U	4449	166,037	
Total ESSER, Elementary and Secondary School Emergency Relief			<u>1,058,999</u>	
ESSA, Title IV-A: Student Support and Academic Enrichment Grants				
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	84.424A	4424	54,12	
Race to the Top Phase 3	84.412	5412	5323	
State Personnel Development Grant	84.323	5323		
Passed through Colorado Colleges and Occupational System:				
Carl Perkins Vocational & Applied Technology	84.048	4048	21,874	
Passed through Colorado Mountain College:				
GEER II Fund - Discretionary to LEA	84.425C	6426	98,550	
Total United States Department of Education			<u>2,405,338</u>	
United States Treasury				
Passed through State Department of Education:				
Coronavirus Relief Fund: Behavior Health Care Integration Services for Chil	21.019	6127	406	
Total United States Treasury			<u>406</u>	
Federal Communications Commission				
Emergency Connectivity Fund Program	32.009	8009	6,573	
Total Federal Communications Commission			<u>6,573</u>	
National Endowment for Humanities				
Passed through Colorado Department of Education:				
ARPA Library Grant	45.310	7310	392	
Total National Endowment for Humanities			<u>392</u>	
United States Department of Health and Human Services				
Passed through State Department of Education:				
COVID-19 Testing	93.323	7323	4,390	
Passed Through Summit County Treasurer:				
Head Start	93.600	8600	92,160	D
Child Care Assistance Block Grant	93.575	7575	159,465	E
Total United States Department of Health and Human Services			<u>256,015</u>	
United States Department of Agriculture				
Passed Through Summit County Treasurer:				
Schools and Roads - Grants to States	10.666	7665	491,370	C
Passed through Colorado Department of Human Services				
Food Distribution Commodities	10.555	4555	74,212	A
Passed through State Department of Education:				
National School Breakfast Program	10.553	4553	169,879	A
National School Lunch Program Cluster	10.555	4555	695,828	A
Supply Chain Assistance	10.555	6555	84,224	A
Total National School Lunch Program			<u>1,024,143</u>	
Summer Food Service Program for Children	10.559	4559	30,277	A
SNAP - PEBT Mini Grant	10.649	4649	3,884	
Total United States Department of Agriculture			<u>1,549,674</u>	
Total Federal Expenditures			<u>\$ 4,211,825</u>	
Additional Information for Clusters:				
A Child Nutrition Cluster			\$ 1,054,420	
B IDEA Cluster			719,293	
C Forest Service Schools and Roads Cluster			491,370	
D Head Start Cluster			92,160	
E Child Care Development Fund			159,465	

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

Note 1. Basis of Presentation:

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

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

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

Note 3. Sub recipients:

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

Note 4. Indirect Facilities and Administration Costs:

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