

Elizabeth School District
Elizabeth, Colorado

Financial Statements
with Independent Auditor's Report

June 30, 2024

Elizabeth School District

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Business Advisors

Independent Auditor's Report

Board of Education
Elizabeth School District
Elizabeth, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and remaining fund information of the Elizabeth School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and remaining fund information of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS and GAS 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 GAAS and GAS, 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.

We did not audit the financial statements of the Legacy Academy, which represent all the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Legacy Academy, is based solely upon the report of the other auditors.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

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 and individual fund financial statements and schedules, 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*, auditor's integrity report, and continuing disclosure section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, combining and individual fund financial statements and schedules, statistical section, auditor's integrity report, and continuing disclosure section listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025, 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 solely 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 effectiveness of the District's 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 Elizabeth School District's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
February 14, 2025



Elizabeth School District

Management's Discussion and Analysis

June 30, 2024

As management of the Elizabeth School District, Elbert County, Colorado (the District), we offer readers of the District's Audited Financial Statements this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

Financial Highlights

- Fund balance of the District's governmental funds increased by \$328,059, resulting in an ending balance of \$3,654,180.
- The District's liabilities and deferred inflows of resources for governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by (\$12,011,929) (net position).
- The deficit in the District's total net position for governmental activities increased \$2,341,107 or 24.2% in fiscal year 2024.
- Governmental activities has (\$29,112,657) in unrestricted net position.
- The ending fund balance within the General Fund, as a percentage of expenditures, stood at 5.31%.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 5-40 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's audited financial statements a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information about all of the District's assets, deferred outflows of resources and liabilities and deferred inflows of resources. The difference between them is reported as net position. Over time, changes 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 net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). Governmental activities consolidate governmental funds including the General Fund and Special Revenue Funds.

Elizabeth School District

Management's Discussion and Analysis

June 30, 2024

The government-wide financial statements also include information on component units that are legally separate from the District (known as the primary government). At the close of the current fiscal year, the District has included information for one component unit, the Legacy Academy Charter School. Financial information for the charter school is presented separately from the primary government because the charter school has a separate governing board.

The government-wide financial statements can be found on pages 5-6 of this report.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include three fund types. The fund types presented here are governmental funds, a proprietary fund and a fiduciary fund.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains six different governmental funds. The major funds are the General and Grants Fund, while the nonmajor funds are the Food Services Fund, the Athletics Fund, Student Activity Fund, and Capital Reserve Fund.

The basic governmental fund financial statements can be found on pages 7-10 of this report.

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the District's General Fund is included under required supplementary information on pages 51-53, to demonstrate compliance with the adopted budget.

The District maintains one type of proprietary fund.

The Internal Service Fund is used to account for the District's self-insurance activity. The premiums paid by employees and the District are presented as revenues, while claims and administrative fees paid are listed as expenses. The fund activity is included in governmental activities within the government-wide financial statements. As the District is no longer self-insured, this fund was maintained to handle any claims payouts through this fiscal year and will be closed in the subsequent year.

The proprietary fund financial statement is presented on pages 11-13 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 14-40 of this report.

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

Government-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives 95% of the annual property tax assessment in March, May and June.

Capital assets are used in the operations of the District. These assets are land, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, accrued interest payable, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available early in the subsequent fiscal year. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available later.

The liabilities and deferred inflows of resources of the primary government exceeded assets and deferred outflows of resources by (\$12,011,929), with an unrestricted net position balance of (\$29,112,657).

The negative balance is solely due to GASB Statement No. 68 and 75, resulting in a net pension liability of \$42,014,612 and net OPEB liability of \$1,014,484, representing its proportionate share of the Public Employees Retirement Association (PERA) of Colorado plan's net pension liability and Other Post-Employment Benefits.

The net investment of Capital Assets of \$16,158,028 in land, buildings, equipment, and vehicles to provide the services to the District's 2,333 public school students represents 72.86% of the District's assets. Net position of \$145,682 has been restricted to provide resources to liquidate the current principal and related interest payments for the bus capital lease. The legally required TABOR reserve has also been restricted.

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

The \$1,185,034 of accrued salaries and benefits as of June 30 are payables associated with teacher and other employee contracts for the 2024 school year requiring resources from fiscal year 2025 to liquidate.

Elizabeth School District
Net position (In thousands)
As of June 30, 2024
Government-wide Total Assets as compared to Total Liabilities and Total Net position:

	Government- Wide	
	<u>2024</u>	<u>2023</u>
Assets:		
Other Assets	5,474	6,037
Capital Assets	16,304	16,746
Total Assets	21,778	22,783
Deferred Outflows of Resources	13,313	8,744
Liabilities:		
Other Liabilities	1,387	2,403
Noncurrent Liabilities	43,355	34,165
Total Liabilities	44,742	36,568
Deferred Inflows of Resources	2,360	4,630
Net position:		
Net investment in capital assets	16,158	16,459
Restricted	943	1,001
Unrestricted	(29,113)	(27,131)
Total Net position	(12,012)	(9,671)

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

Government-wide Activities

Governmental activities decreased the net position of the District by \$2,341,107. Most of this decrease was due to the pension benefit associated with changes to pension liabilities, deferred outflows and deferred inflows.

Elizabeth School District
Changes in Net position (In thousands)
For the year ended June 30, 2024

	Government- Wide	
	<u>2024</u>	<u>2023</u>
Revenues:		
Program revenues	\$ 6,898	\$ 7,142
General revenues	27,798	24,187
Total Revenues	34,696	31,329
Expenses:		
Governmental activities		
Instruction	21,516	19,534
Supporting services	14,279	12,383
Food services	1,233	847
Interest on long-term debt	9	13
Total Expenses	37,037	32,777
Changes in net position	(2,341)	(1,448)
Net position at beginning of fiscal year	(9,671)	(8,223)
Net position at end of fiscal year	(12,012)	(9,671)

Key elements of the change in net position for governmental activities are as follows:

- Pension and OPEB related expenses account for the largest component to the change in the District's net position.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government'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 a combined ending fund balance of \$3,654,180, an increase of \$328,059 in comparison with the prior year.

The General Fund is the primary operating fund of the District. The fund has \$1,616,138 in ending fund balance, of which \$797,018 restricted for the constitutionally mandated TABOR reserve.

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

Financial Analysis of the Proprietary Fund

Proprietary Fund. The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. However, the Internal Service Fund is included in governmental activities in the government-wide financial statements.

Self-Insurance Fund – The School District is no longer self-insured and has kept this fund open to finalize any outstanding claims.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was due to better information for both revenues and expenditures. An example are salaries, when the original budget was created there were numerous positions that were not filled so budgeted salaries were based on reasonable estimates, while the revised budget was able to utilize amounts that were much closer to the actual salary and benefit numbers.

General Fund expenses exceeded revenues and transfers by \$801,967 thereby reducing the ending fund balance of the fund on a percentage basis by 33.17%.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2024 amounts to \$16,303,710 (net of accumulated depreciation). This investment in capital assets includes buildings, equipment, vehicles, and land. The net decrease in the District's investment in capital assets for the current fiscal year was \$442,255 or a 2.64% decrease. This was due to a large cleanup of disposed assets. The overall current year investment without the offset of disposals was \$326,600.

Major capital expenditures during the current fiscal year included the following:

- EHS Gymnastic Springboard
- EHS Automotive Building
- EMS Time Tracking System
- EMS Fire Suppression System
- SHE Well/Mixing Valve/Fencing
- SHE Preschool Playground
- RCE Preschool Playground
- District Wide Security Door Contact Sensors

Elizabeth School District
Capital Assets (net of accumulated depreciation, in Thousands)

	<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>
Land	\$298	\$298
Construction in Progress	\$84	\$0
Buildings	\$28,956	\$29,086
Equipment, vehicles, & fixtures	\$1,458	\$1,834
Transportation equipment	\$1,575	\$2,737
Less: Accumulated Depreciation	<u>(16,067)</u>	<u>(17,209)</u>
Total capital assets	\$16,304	\$16,746

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

Additional information on the District's capital assets can be found in Note 3 on pages 20-21.

Long-Term Debt. At June 30, 2024 the District had \$145,682 remaining of a financing lease for the ten buses recently acquired in a prior year. Additionally, the District has long-term obligations for compensated absences in the amount of \$180,274 still outstanding at the end of the current fiscal year.

Elizabeth School District
General Obligation Bonds, Compensated Absences and Bus Capital Lease
June 30, 2024

Government-Wide

Compensated Absences	180,274
Bus Capital Lease	<u>145,682</u>
Total	<u>\$ 325,956</u>

Total long-term debt for the District increased during the current fiscal year due to the increase to pension liability.

Additional information on the District's long-term obligations can be found in Note 4 on pages 21-22 of this report.

Economic Factors and Next Year's Budget

The District is committed to an ongoing review of its programs and services for both effectiveness and efficiency. To accomplish this, the District examines how to best provide essential services on a cost-effective basis and to re-direct resources to the schools. The following factors will have a direct impact on the 2024-2025 fiscal year budget and future budgeting decisions:

- The most recent budget submittal by the governor for the State indicates that there will be a slight increase in per pupil funding for the upcoming fiscal year.
- The Public Employees Retirement Association (PERA) of Colorado, the pension plan that covers all district employees, stayed static for the upcoming year. The employee's contribution rate will remain at 11%.
- The actual funded student enrollment taken on the official count day of October 1, reported that the number of students was 11 more students than in fiscal year 2024. This increase was in our homeschool student program. Student count in our physical school locations decreased overall.
- For the fiscal year that just ended, 2023-2024, the District decreased the ending fund balance of the General Fund by \$801,967. The current 2024-2025 Budget reflects an increase in the ending fund balance to offset several years of spending down the existing fund balance.
- With the recent submittal of the State budget the District is anticipating slight increases in future funding due to new legislation. However, the State's current budget causes us to remain cautious for any substantial addition funding.

Elizabeth School District
Management's Discussion and Analysis
June 30, 2024

Requests for Information

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

Elizabeth School District
Attention: Business Office
633 Dale Ct. PO Box 610
Elizabeth, CO 80107

Basic Financial Statements

Elizabeth School District
Statement of Net Position
June 30, 2024

	Primary Government Governmental Activities	Component Unit Legacy Academy
Assets		
Cash and Investments	\$ 4,318,224	\$ 2,117,258
Restricted Cash and Investments	-	658,491
Accounts Receivable	34,683	-
Grants Receivable	654,897	28,902
Lease Receivable	-	46,542
Taxes Receivable	385,372	-
Inventories	80,734	-
Prepaid Insurance	-	43,456
Capital Assets, <i>Not Being Depreciated</i>	382,824	347,000
Capital Assets, <i>Net of Accumulated Depreciation</i>	15,920,886	8,004,787
Total Assets	<u>21,777,620</u>	<u>11,246,436</u>
Deferred Outflows of Resources		
Loss on Debt Refunding, <i>Net of Accumulated Amortization</i>	-	82,903
Pensions, <i>Net of Accumulated Amortization</i>	13,056,822	2,253,483
OPEB, <i>Net of Accumulated Amortization</i>	255,830	48,532
Total Deferred Outflows of Resources	<u>13,312,652</u>	<u>2,384,918</u>
Liabilities		
Accounts Payable	202,281	58,534
Accrued Salaries and Benefits	1,185,034	232,532
Unearned Revenues	-	60,038
Accrued Interest Payable	-	15,536
Noncurrent Liabilities		
Due Within One Year	192,554	304,788
Due in More Than One Year	133,402	8,023,599
Net Pension Liability	42,014,612	7,016,197
Net OPEB Liability	1,014,484	169,413
Total Liabilities	<u>44,742,367</u>	<u>15,880,637</u>
Deferred Inflows of Resources		
Deferred Lease Inflows	-	46,542
Pensions, <i>Net of Accumulated Amortization</i>	2,044,253	208,675
OPEB, <i>Net of Accumulated Amortization</i>	315,602	52,686
Total Deferred Inflows of Resources	<u>2,359,855</u>	<u>307,903</u>
Net Position		
Net Investment in Capital Assets	16,158,028	106,303
Restricted for:		
Debt Service	145,682	642,955
Emergencies	797,000	177,000
Unrestricted	<u>(29,112,660)</u>	<u>(3,483,444)</u>
Total Net Position	<u>\$ (12,011,950)</u>	<u>\$ (2,557,186)</u>

See Notes to the Financial Statements.

Elizabeth School District
Statement of Activities
For the Year Ended June 30, 2024

					Net (Expense) Revenue and Change in Net Position	
Functions/Programs	Expenses	Program Revenues			Primary	Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Unit Legacy Academy
Primary Government						
<i>Governmental Activities</i>						
Instruction	\$ 21,515,990	\$ 1,954,896	\$ 3,377,563	\$ -	\$ (16,183,531)	\$ -
Supporting Services	14,278,694	47,639	384,724	-	(13,846,331)	-
Food Services	1,233,188	85,721	1,047,566	-	(99,901)	-
Interest on Long-Term Debt	8,981	-	-	-	(8,981)	-
Total Primary Government	<u>\$ 37,036,853</u>	<u>\$ 2,088,256</u>	<u>\$ 4,809,853</u>	<u>\$ -</u>	<u>(30,138,744)</u>	<u>-</u>
Component Unit						
Legacy Academy	<u>\$ 6,735,249</u>	<u>\$ 825,678</u>	<u>\$ 288,945</u>	<u>\$ 183,245</u>	<u>-</u>	<u>(5,437,381)</u>
General Revenues						
Local Property Taxes					9,996,867	-
Specific Ownership Taxes					1,370,794	-
Mill Levy Override					1,485,828	-
State Equalization					13,476,542	-
Per Pupil Revenue					-	4,855,259
District Mill Levy					-	286,958
School Improvements Fees					741,587	-
Grants and Contributions not Restricted to Specific Programs					-	2,904
Investment Income					310,074	-
Gain on Disposal of Capital Assets					111,954	132,218
Other					88,032	-
					<u>215,938</u>	<u>7,135</u>
Total General Revenues					<u>27,797,616</u>	<u>5,284,474</u>
Change in Net Position					(2,341,128)	(152,907)
Net Position, Beginning of Year					<u>(9,670,822)</u>	<u>(2,404,279)</u>
Net Position, End of Year					<u>\$ (12,011,950)</u>	<u>\$ (2,557,186)</u>

Elizabeth School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Grants	Nonmajor Governmental Funds	Total
Assets				
Cash and Investments	\$ 2,373,970	\$ (305,282)	\$ 2,001,704	\$ 4,070,392
Accounts Receivable	10,591	-	24,092	34,683
Grants Receivable	268,673	386,224	-	654,897
Taxes Receivable	385,372	-	-	385,372
Inventories	-	-	80,734	80,734
Total Assets	<u>\$ 3,038,606</u>	<u>\$ 80,942</u>	<u>\$ 2,106,530</u>	<u>\$ 5,226,078</u>
Liabilities				
Accounts Payable	\$ 140,009	\$ 60,708	\$ 1,564	\$ 202,281
Accrued Salaries and Benefits	1,121,965	20,234	42,835	1,185,034
Total Liabilities	<u>1,261,974</u>	<u>80,942</u>	<u>44,399</u>	<u>1,387,315</u>
Deferred Inflows of Resources				
Property Taxes	160,512	-	-	160,512
Unearned Revenue	-	-	24,092	24,092
Total Deferred Inflows of Resources	<u>160,512</u>	<u>-</u>	<u>24,092</u>	<u>184,604</u>
Fund Balances				
Nonspendable Inventories	-	-	80,734	80,734
Restricted for:				
Emergencies	797,000	-	-	797,000
Assigned to:				
Food Services	-	-	484,673	484,673
Athletics Programs	-	-	28,429	28,429
Student Activity	-	-	1,444,203	1,444,203
Unassigned	819,120	-	-	819,120
Total Fund Balances	<u>1,616,120</u>	<u>-</u>	<u>2,038,039</u>	<u>3,654,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,038,606</u>	<u>\$ 80,942</u>	<u>\$ 2,106,530</u>	<u>\$ 5,226,078</u>

Elizabeth School District
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 3,654,159
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	16,303,710
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes and grant revenue earned but not available as current financial resources.	184,604
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Lease	(145,682)
Accrued compensated absences	(180,274)
Net pension liability	(42,014,612)
Pension-related deferred outflows of resources	13,056,822
Pension-related deferred inflows of resources	(2,044,253)
Net OPEB liability	(1,014,484)
OPEB-related deferred outflows of resources	255,830
OPEB-related deferred inflows of resources	(315,602)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.	<u>247,832</u>
Total Net Position of Governmental Activities	\$ <u>(12,011,950)</u>

Elizabeth School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Grants	Nonmajor Governmental Funds	Total
Revenues				
Local Sources	\$ 14,408,603	\$ -	\$ 734,850	\$ 15,143,453
County Sources	741,587	-	-	741,587
State Sources	15,291,247	548,516	9,071	15,848,834
Federal Sources	859,097	833,999	1,038,495	2,731,591
	<u>31,300,534</u>	<u>1,382,515</u>	<u>1,782,416</u>	<u>34,465,465</u>
Expenditures				
Current				
Instruction	17,952,266	1,114,766	1,166,517	20,233,549
Supporting Services	12,300,011	267,749	193,474	12,761,234
Food Services	-	-	992,402	992,402
Debt Service				
Principal	141,261	-	-	141,261
Interest and Fiscal Charges	8,981	-	-	8,981
	<u>30,402,519</u>	<u>1,382,515</u>	<u>2,352,393</u>	<u>34,137,427</u>
Excess Revenues Over (Under) Expenditures	<u>898,015</u>	<u>-</u>	<u>(569,977)</u>	<u>328,038</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(1,700,000)</u>	<u>-</u>	<u>1,700,000</u>	<u>-</u>
Total Other Financial Sources (Uses)	<u>(1,700,000)</u>	<u>-</u>	<u>1,700,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(801,985)</u>	<u>-</u>	<u>1,130,023</u>	<u>328,038</u>
Fund Balances, Beginning of Year	<u>2,418,105</u>	<u>-</u>	<u>908,016</u>	<u>3,326,121</u>
Fund Balances, End of Year	<u>\$ 1,616,120</u>	<u>\$ -</u>	<u>\$ 2,038,039</u>	<u>\$ 3,654,159</u>

Elizabeth School District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 328,038
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:	
Depreciation expense	(940,914)
Capital outlay	410,627
Governmental funds do not record deletions or losses; however, in the statement of activities these assets and accumulated depreciation are removed, and losses are recorded	
Assets Removed	(1,994,443)
Accumulated Depreciation	2,082,475
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	126,184
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	
Principal payments on capital lease	141,261
Some expenses 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 includes the changes in the following:	
Accrued compensated absences	(109,684)
Net pension liability	(9,321,597)
Pension-related deferred outflows of resources	4,581,320
Pension-related deferred inflows of resources	2,190,601
Net OPEB liability	99,716
OPEB-related deferred outflows of resources	(12,193)
OPEB-related deferred inflows of resources	79,491
An internal service fund is used by management to charge the costs of insurance to individual funds. The activities of the internal service fund are reported with governmental activities in the statement of activities.	(2,010)
Change in Net Position	\$ <u>(2,341,128)</u>

Elizabeth School District
Statement of Net Position
Proprietary Fund
June 30, 2024

	Governmental Activities
	<u>Internal Service</u>
Assets	
<i>Current Assets</i>	
Cash and Investments	\$ <u>247,832</u>
Total Assets	\$ <u><u>247,832</u></u>
Unrestricted	\$ <u>247,832</u>
Total Net Position	\$ <u><u>247,832</u></u>

Elizabeth School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	Governmental Activities <hr/> Internal Service <hr/>
Operating Revenues	
Charges for Services	\$ <u>-</u>
Total Operating Revenues	<u>-</u>
Operating Expenses	
Insurance Claims	<u>2,010</u>
Total Operating Expenses	<u>2,010</u>
Excess Revenues Over (Under) Expenditures	(2,010)
Other Financing Sources (Uses)	
Transfers	<u>-</u>
Net Change in Fund Balances	(2,010)
Net Position, <i>Beginning of Year</i>	<u>249,842</u>
Net Position, <i>End of Year</i>	<u><u>\$ 247,832</u></u>

Elizabeth School District
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

	Governmental Activities <hr/> Internal Service <hr/>
Cash Flows From Operating Activities	
Cash Paid to Suppliers	\$ <u>(14,082)</u>
Net Cash Provided by Operating Activities	<u>(14,082)</u>
Change in Cash and Cash Equivalents	(14,082)
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>261,914</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u><u>\$ 247,832</u></u>
Reconciliation of Change in Net Position to Net Cash Used by Operating Activities	
Change in Net Position	\$ (2,010)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities	
Change in Insurance Claims Payable	<u>(12,072)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (14,082)</u></u>

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Elizabeth School District (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on the District.

The District includes the Legacy Academy charter school (the School) within its reporting entity because the School's charter is authorized by the District and the majority of the School's revenues are provided by the District. The School has a separately elected board and is discretely presented in the financial statements. Separate financial statements for the School may be obtained by contacting the School at 1975 Legacy Circle, Elizabeth, Colorado 80107.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, 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 accounted for in another fund.

The *Grants Fund* - accounts for local, state and federal grant revenues and the related expenditures. The Grants Fund is considered a Special Revenue Fund as it is established for a revenue source restricted in use to grant purposes.

Additionally, the District reports the following fund types:

The *Food Service Fund* - accounts for the financial activities associated with the District's school breakfast and lunch programs. Revenues in this fund are mainly reimbursements from the State Department of Education for meals served.

The *Athletics Fund* - accounts for the revenue and expenditures associated with school sponsored interscholastic athletic activities.

The *Pupil Activity Fund* - accounts for the revenue and expenditures associated with school sponsored pupil interscholastic and other related activities.

The *Capital Reserve Fund* - accounts for Board approved capital outlay and routine preventative and repair maintenance.

The *Insurance Reserve Internal Service Fund* - accounts for the resources accumulated for the District's employee health and dental claims.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The agency fund financial statements are reported using the accrual basis of accounting.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities and Fund Balances/Net Position

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented with an allowance for uncollectible taxes.

Inventories - Food Services Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at average cost and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Capital Assets - Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	10 - 50 years
Equipment	8 - 20 years
Transportation Vehicles	8 - 30 years

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Deferred Inflows of Resources - Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences - Employees are allowed to accumulate unused vacation time for one year from the anniversary date on which it was granted. Accrued vacation time is paid to those eligible employees upon termination of employment.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to/deductions from the FNP of the HCTF's 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.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

District policy sets a financial goal to maintain a total fund balance in the General Fund of 2% of total operating revenues, in addition to any amounts required by State statutes.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The District has evaluated subsequent events through February 14, 2025, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At June 30, 2024, the District had the following cash and investments:

Deposits	\$ 689,586
Investments	<u>3,628,638</u>
Total	<u>\$ 4,318,224</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of \$2,398,469 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Fair Value Measurements - At June 30, 2024, the District's investments in Colotrust and a money market fund are reported at the net asset value per share.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At June 30, 2024, the District had \$4,289,579 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operate in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at \$1. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balance 06/30/23	Additions	Deletions	Balance 06/30/24
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 298,022	\$ -	\$ -	\$ 298,022
Construction in Progress	-	84,802	-	84,802
Total Capital Assets, <i>Not Being Depreciated</i>	<u>298,022</u>	<u>84,802</u>	<u>-</u>	<u>382,824</u>
Capital Assets, <i>Being Depreciated</i>				
Buildings	29,085,578	226,664	(356,685)	28,955,557
Equipment	1,834,237	99,161	(475,483)	1,457,915
Transportation Vehicles	2,736,818	-	(1,162,275)	1,574,543
Total Capital Assets, <i>Being Depreciated</i>	<u>33,656,633</u>	<u>325,825</u>	<u>(1,994,443)</u>	<u>31,988,015</u>

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 3: Capital Assets (Continued)

	Balance 06/30/23	Additions	Deletions	Balance 06/30/24
Governmental Activities (Continued)				
Less Accumulated Depreciation				
Buildings	(14,610,442)	(724,681)	356,685	(14,978,438)
Equipment	(1,003,779)	(63,518)	475,483	(591,814)
Transportation Vehicles	(1,594,469)	(152,715)	1,250,307	(496,877)
Total Accumulated Depreciation	<u>(17,208,690)</u>	<u>(940,914)</u>	<u>2,082,475</u>	<u>(16,067,129)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>16,447,943</u>	<u>(615,089)</u>	<u>88,032</u>	<u>15,920,886</u>
Governmental Activities Capital Assets, <i>net</i>	\$ <u>16,745,965</u>	\$ <u>(530,287)</u>	\$ <u>88,032</u>	\$ <u>16,303,710</u>

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

Instruction	\$ 2,719
Supporting Services	<u>938,195</u>
Total	<u>\$ 940,914</u>

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2024:

	Balance 06/30/23	Additions	Payments	Balance 06/30/24	Due Within One Year
Bus Financing Lease	\$ 286,943	\$ -	\$ (141,261)	\$ 145,682	\$ 145,682
Compensated Absences	<u>70,590</u>	<u>183,792</u>	<u>(74,108)</u>	<u>180,274</u>	<u>133,403</u>
Total	<u>\$ 357,533</u>	<u>\$ 183,792</u>	<u>\$ (215,369)</u>	<u>\$ 325,956</u>	<u>\$ 279,085</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Bus Financing Lease

In July 2018, the District entered into a master lease agreement for \$938,683 to purchase buses. Principal payments are due annually on April 1, 2019, through 2025. Interest payments are due semi-annually on April 1 and October 1, with interest accruing at 3.13% per annum.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 4: Long-Term Debt (Continued)

Principal and interest payments due on the outstanding capital lease are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 145,682	\$ 4,559	\$ 150,241
Total	\$ 145,682	\$ 4,559	\$ 150,241

Note 5: Interfund Transactions

During the year ended June 30, 2024, the General Fund provided financial support to the Athletics Fund and Capital Reserve Fund through interfund transfers. The General Fund recorded interfund transfers out totaling \$1,700,000, while the Athletics Fund reported transfers in of \$700,000, and the Capital Reserve Fund accounted for transfers in of \$1,000,000.

Note 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; natural disasters; and health and dental claims of its employees. The District accounts for and finances its risk activities in the General and Insurance Reserve Internal Service Funds.

The District purchases commercial insurance for property, liability, and workers compensation risks of loss. The District's employee health insurance plan is no longer held in the Insurance Reserve Internal Service Fund and therefore the claims are no longer a risk to the District. The dental insurance plan is no longer being held in the Insurance Reserve Fund.

Claims liabilities are reported in the government-wide financial statements and the internal service fund if information is available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the District does not believe the estimated claims liability is fully measurable, and the District could incur additional costs related to incurred but not reported claims.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 6: Risk Management (Continued)

Changes in claims payable for the employee health and dental plan were as follows:

Claims Payable, June 30, 2022	\$ 545,395
Claims Incurred and Adjustments	(251,087)
Payments	<u>(282,236)</u>
Claims Payable, June 30, 2023	12,072
Claims Incurred and Adjustments	2,010
Payments	<u>(14,082)</u>
Claims Payable, June 30, 2024	<u><u>\$ -</u></u>

Note 7: Defined Benefit Pension Plan

General Information

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, 2023 - 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:

- 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 percent match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

- 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 percent of the highest average salary and cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 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) in place under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Contributions provisions as of June 30, 2024 - Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2023 through June 30, 2024. The District's contribution rate was 21.40% of covered salaries for July 01, 2023 through June 30, 2024. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 8). 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 \$3,332,810, for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SCHDTF was measured at December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year, 2023 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, the District reported a liability of \$42,014,612, 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:

Proportionate share of net pension liability	\$ 42,935,868
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the District	<u>(921,256)</u>
District's proportionate share of the net pension liability	<u>\$ 42,014,612</u>

At December 31, 2022/2023, the District's proportion was 0.2375932196%, which was an increase of 0.0580546389% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$5,469,152 and benefit of \$86,235 for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,992,289	\$ -
Net difference between projected and actual earnings on plan investments	3,011,795	-
Changes in proportion	6,202,140	2,044,253
Contributions subsequent to the measurement date	<u>1,850,598</u>	<u>-</u>
Total	<u>\$ 13,056,822</u>	<u>\$ 2,044,253</u>

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,850,598 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ 1,988,665
2026	4,321,696
2027	3,691,382
2028	<u>(839,772)</u>
Total	<u>\$ 9,161,971</u>

Actuarial Assumptions - The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by AIR

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

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

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

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

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Post-retirement non-disabled beneficiary mortality assumptions were based upon the PubT-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, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to 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 percentage and then adding expected inflation.

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

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

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 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:

- The 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, the total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 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.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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 in the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 56,180,525	\$ 42,014,612	\$ 30,201,954

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.

Note 8: Postemployment Healthcare Benefits (OPEB)

General Information

Plan description - Eligible employees of the District are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information (Continued)

Benefits provided - The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are over 65 years of age 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 by 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.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$166,815, for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$1,014,484 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TOL to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the total contributions of participating employers to the HCTF.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

At December 31, 2023, the District's proportion was 0.1421391598%, which was an increase of 0.0096488264% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,043. At June 30, 2024, 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
Differences between expected and actual experience	\$ -	\$ 207,932
Changes of assumptions and other inputs	11,931	107,570
Net difference between projected and actual earnings on plan investments	31,380	-
Changes in proportion	119,898	100
Contributions subsequent to the measurement date	92,621	-
Total	\$ <u>255,830</u>	\$ <u>315,602</u>

\$92,621 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ (89,779)
2026	(38,528)
2027	(982)
2028	(26,747)
2029	3,643
Total	\$ <u>(152,393)</u>

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

Actuarial Assumptions - The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
<i>PERA Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7.00% in 2023 gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.50% in 2023, gradually increasing to 4.5% in 2035	
<i>DPS Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums:	N/A

Each year the per capita health care costs are developed by plan option; currently based on 2023 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.

The 2023 Medicare Part A premium is \$506 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.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, 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 Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) 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 Safety Officers 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 on the 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 Safety Officers 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 Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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, 2022, 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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022 actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- 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.

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020 and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to 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.

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 as presented previously (See Note 7).

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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 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, 2023, measurement date.
- The 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, the 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 in the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 8: Postemployment Healthcare Benefits (OPEB) (Continued)

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

Sensitivity of the District's proportionate share of 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, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 857,287	\$ 1,014,484	\$ 1,198,233

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 3.00% to 7.25%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ 985,367	\$ 1,014,484	\$ 1,046,157

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.

Note 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Elizabeth School District
Notes to Financial Statements
June 30, 2024

Note 9: Commitments and Contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$797,000.

Required Supplementary Information

Elizabeth School District
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2024

Measurement Date	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.2375932196%	0.1795385807%	0.2091839500%	0.2250837291%	0.1948989650%
Net Pension Liability					
District's Proportionate Share	\$ 42,014,612	\$ 32,693,015	\$ 24,343,502	\$ 34,028,120	\$ 29,117,482
State's Proportionate Share	921,256	9,527,073	1,977,939	-	3,693,183
Total Proportionate Share of the Net Pension Liability	<u>\$ 42,935,868</u>	<u>\$ 42,220,088</u>	<u>\$ 26,321,441</u>	<u>\$ 34,028,120</u>	<u>\$ 32,810,665</u>
District's Covered Payroll	\$ 15,707,053	\$ 13,847,891	\$ 12,681,759	\$ 12,039,762	\$ 11,450,609
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267%	236%	192%	283%	254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	62%	75%	67%	65%
Reporting Date	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20
District Contributions					
Statutorily Required Contribution	\$ 3,332,810	\$ 2,893,823	\$ 2,639,980	\$ 2,426,830	\$ 2,285,758
Contributions in Relation to the Statutorily Required Contribution	<u>(3,332,810)</u>	<u>(2,893,823)</u>	<u>(2,639,980)</u>	<u>(2,426,830)</u>	<u>(2,285,758)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 16,354,369	\$ 14,199,387	\$ 13,279,570	\$ 12,207,382	\$ 11,794,393
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%	19.38%

This schedule is presented to show information for 10 years.

(Continued)

Elizabeth School District
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2024
(Continued)

Measurement Date	12/31/18	12/31/2017	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.1908654273%	0.2204456159%	0.2235124020%	0.2259040660%	0.2288515898%
Net Pension Liability					
District's Proportionate Share	\$ 33,796,644	\$ 71,284,278	\$ 66,548,285	\$ 34,550,432	\$ 31,017,078
State's Proportionate Share	4,621,222	-	-	-	-
Total Proportionate Share of the Net Pension Liability	<u>\$ 38,417,866</u>	<u>\$ 71,284,278</u>	<u>\$ 66,548,285</u>	<u>\$ 34,550,432</u>	<u>\$ 31,017,078</u>
District's Covered Payroll	\$ 10,492,895	\$ 10,168,895	\$ 10,031,633	\$ 9,844,881	\$ 9,587,231
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	322%	701%	663%	351%	324%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57%	44%	43%	59%	63%
District Contributions					
Statutorily Required Contribution	\$ 2,064,761	\$ 1,922,340	\$ 1,878,956	\$ 1,766,053	\$ 1,632,231
Contributions in Relation to the Statutorily Required Contribution	<u>(2,064,761)</u>	<u>(1,922,340)</u>	<u>(1,878,956)</u>	<u>(1,766,053)</u>	<u>(1,632,231)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 10,793,253	\$ 10,178,906	\$ 10,220,669	\$ 9,942,516	\$ 9,665,927
Contributions as a Percentage of Covered Payroll	19.13%	18.89%	18.38%	17.76%	16.89%

This schedule is presented to show information for 10 years.

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions June 30, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in § 24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022 Changes in Plan Provisions Since 2021

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000 to \$35,000,000. The July 1, 2024, direct distribution will not be reduced from \$225,000 due to a negative investment return in 2022.

2021 Changes in Plan Provisions Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020 Changes in Plan Provisions Since 2019

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

2019 Changes in Plan Provisions Since 2018

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - AI cap is lowered from 1.50% per year to 1.25%.

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions June 30, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of SB 18-200:
 - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
 - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
 - An annual direct distribution of \$225,000,000 from the State of Colorado, recognized as a non-employer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
 - AI cap is lowered from 2.00% per year to 1.50% per year.
 - Initial AI waiting period is extended from one year after retirement to three years after retirement.
 - AI payments are suspended for 2018 and 2019.

2017 Changes in Plan Provisions Since 2016

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2016 Changes in Plan Provisions Since 2015

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2015 Changes in Plan Provisions Since 2014

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2014 Changes in Plan Provisions Since 2013

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions or Other Inputs Since 2021

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

2021 Changes in Assumptions or Other Inputs Since 2020

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

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions June 30, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2020 Changes in Assumptions of Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% 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.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as 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.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) 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 are generational mortality tables developed on a benefit-weighted basis.

2019 Changes in Assumptions of Other Inputs Since 2018

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

2018 Changes in Assumptions of Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the School Division 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.

2017 Changes in Assumptions of Other Inputs Since 2016

- The SEIR for the School Division 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.

2016 Changes in Assumptions of Other Inputs Since 2015

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions June 30, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2016 Changes in Assumptions of Other Inputs Since 2015 (Continued)

- The post-retirement mortality assumption for healthy lives for the School, Judicial, 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, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35% to .40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

2015 Changes in Assumptions of Other Inputs Since 2014

- The following programming changes were made:
 - 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 AI timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - 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 UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions of Other Inputs Since 2013

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

Elizabeth School District
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2024

Measurement Date	12/31/23	12/31/22
Proportionate Share of the Net OPEB Liability		
District's Proportion of the Net OPEB Liability	0.1421391598%	0.1364640130%
District's Proportionate Share of the Net OPEB Liability	\$ 1,014,484	\$ 1,114,200
District's Covered Payroll	\$ 15,707,053	\$ 13,847,891
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6%	8%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%
Reporting Date	6/30/24	6/30/23
District's Contributions		
Statutorily Required Contribution	\$ 166,782	\$ 144,834
Contributions in Relation to the Statutorily Required Contribution	(166,782)	(144,834)
Contribution Deficiency (Excess)	\$ -	\$ -
District's Covered Payroll	\$ 16,354,369	\$ 14,199,387
Contributions as a Percentage of Covered Payroll	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Elizabeth School District
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2024
(Continued)

Measurement Date	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net OPEB Liability					
District's Proportion of the Net OPEB Liability	0.1324903334%	0.1301953293%	0.1273480927%	0.1240635401%	0.1252563509%
District's Proportionate Share of the Net OPEB Liability	\$ 1,142,471	\$ 1,237,149	\$ 1,431,390	\$ 1,687,937	\$ 1,627,832
District's Covered Payroll	\$ 12,681,759	\$ 12,681,759	\$ 12,039,762	\$ 11,450,609	\$ 10,168,895
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	10%	12%	15%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	33%	24%	17%	18%
District's Contributions					
Reporting Date	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Statutorily Required Contribution	\$ 135,452	\$ 124,515	\$ 120,303	\$ 110,091	\$ 103,825
Contributions in Relation to the Statutorily Required Contribution	(135,452)	(124,515)	(120,303)	(110,091)	(103,825)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 13,279,570	\$ 13,279,570	\$ 12,207,382	\$ 11,794,393	\$ 10,178,906
Contributions as a Percentage of Covered Payroll	1.02%	0.94%	0.99%	0.93%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions June 30, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

2022 Changes in Plan Provisions Since 2021

- The total OPEB liability 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, 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.

2021 Changes in Plan Provisions Since 2020

- There were no changes made to plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to plan provisions.

2018 Changes in Plan Provisions Since 2017

- There were no changes made to plan provisions.

2017 Changes in Plan Provisions Since 2016

- There were no changes made to plan provisions.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions or Other Inputs Since 2021

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

Elizabeth School District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions June 30, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2021 Changes in Assumptions or Other Inputs Since 2020

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

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as 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.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to 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.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) 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 are generational mortality tables developed on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

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

2018 Changes in Assumptions or Other Inputs Since 2017

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

2017 Changes in Assumptions or Other Inputs Since 2016

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

Elizabeth School District
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 7,462,389	\$ 9,288,208	\$ 9,871,736	\$ 583,528
Specific Ownership Taxes	1,325,147	1,251,574	1,370,794	119,220
Mill Levy Override	1,280,000	1,280,000	1,485,828	205,828
Tuition and Fees	600,000	392,250	1,321,462	929,212
Investment Income	50,000	80,000	111,954	31,954
Rental Income	15,000	9,000	21,562	12,562
Homeschool Enrichment	50,000	89,000	-	(89,000)
Other	27,000	27,000	225,267	198,267
Total Local Sources	<u>10,809,536</u>	<u>12,417,032</u>	<u>14,408,603</u>	<u>1,991,571</u>
<i>County Sources</i>				
School Improvements Fees	<u>100,000</u>	<u>250,000</u>	<u>741,587</u>	<u>491,587</u>
<i>State Sources</i>				
State Equalization	15,346,981	13,498,780	13,476,542	(22,238)
Transportation	-	301,541	332,792	31,251
Small Rural Schools Additional Aid	-	288,000	310,074	22,074
Additional At-Risk Funding	-	-	7,397	7,397
Early Childhood Education Association	-	942,164	1,032,925	90,761
Universal Preschool	-	516,470	-	(516,470)
Others	-	100,000	131,517	31,517
Total State Sources	<u>15,346,981</u>	<u>15,646,955</u>	<u>15,291,247</u>	<u>(355,708)</u>
<i>Federal Sources</i>				
Grants	-	-	564,650	564,650
ESSER II and III	-	-	294,447	294,447
Total Federal Sources	<u>-</u>	<u>-</u>	<u>859,097</u>	<u>859,097</u>
Total Revenues	<u>\$ 26,256,517</u>	<u>\$ 28,313,987</u>	<u>\$ 31,300,534</u>	<u>\$ 2,986,547</u>

(Continued)

Elizabeth School District
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2024
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Instruction	\$ 17,398,180	\$ 19,922,113	\$ 17,952,266	\$ 1,969,847
Supporting Services				
Students	1,515,000	2,753,600	2,353,598	400,002
Instructional Staff	290,000	462,677	462,677	-
General Administration	530,000	2,061,146	1,761,147	299,999
School Administration	960,000	1,746,000	1,445,960	300,040
Business Services	580,000	625,000	598,570	26,430
Operations and Maintenance	1,430,000	2,180,000	2,753,602	(573,602)
Student Transportation	1,143,000	2,198,000	1,523,373	674,627
Central Support	680,000	400,000	1,066,359	(666,359)
Food Operations	300,000	250,000	240,786	9,214
Community Services	-	-	3,124	(3,124)
Facilities Acquisition	-	-	90,815	(90,815)
Appropriated Reserves	535,923	-	-	-
Total Supporting Services	7,963,923	12,676,423	12,300,011	376,412
Debt Service				
Principal	140,000	140,000	141,261	(1,261)
Interest and Fiscal Charges	10,000	10,000	8,981	1,019
Total Debt Service	150,000	150,000	150,242	(242)
Total Expenditures	25,512,103	32,748,536	30,402,519	2,346,017
Excess of Revenues Over (Under) Expenditures	744,414	(4,434,549)	898,015	5,332,564
Other Financing Sources (Uses)				
Transfers	(1,820,000)	(1,690,158)	(1,700,000)	(9,842)
Net Change In Fund Balance	(1,075,586)	(6,124,707)	(801,985)	5,322,722
Fund Balance, Beginning of Year	2,060,117	2,418,105	2,418,105	-
Fund Balance, End of Year	\$ 984,531	\$ (3,706,602)	\$ 1,616,120	\$ 5,322,722

Elizabeth School District
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
State Grants	\$ 1,002,200	\$ 1,002,200	\$ 548,516	\$ (453,684)
Federal Grants	<u>2,671,090</u>	<u>2,671,090</u>	<u>833,999</u>	<u>(1,837,091)</u>
Total Revenues	<u>3,673,290</u>	<u>3,673,290</u>	<u>1,382,515</u>	<u>(2,290,775)</u>
Expenditures				
Salaries	2,500,000	2,500,000	554,798	1,945,202
Benefits	450,000	450,000	117,451	332,549
Purchased Services	600,000	600,000	376,832	223,168
Supplies and Materials	123,290	123,290	174,047	(50,757)
Property	-	-	134,235	(134,235)
Other	<u>-</u>	<u>-</u>	<u>25,152</u>	<u>(25,152)</u>
Total Expenditures	<u>3,673,290</u>	<u>3,673,290</u>	<u>1,382,515</u>	<u>2,290,775</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Elizabeth School District
Notes to Budgetary Comparison Schedules
June 30, 2024

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

A budget is adopted for the District on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

All appropriations lapse at fiscal year-end.

Combining and Individual Fund Statements and Schedules

Elizabeth School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue				
	Food Services	Athletics	Student Activity	Capital Reserve	Total
Assets					
Cash and Investments	\$ 520,012	\$ 37,489	\$ 444,203	\$ 1,000,000	\$ 2,001,704
Accounts Receivable	24,092	-	-	-	24,092
Inventories	80,734	-	-	-	80,734
 Total Assets	 \$ 624,838	 \$ 37,489	 \$ 444,203	 \$ 1,000,000	 \$ 2,106,530
Liabilities and Fund Balances					
<i>Liabilities</i>					
Accounts Payable	\$ 50	\$ 1,514	\$ -	\$ -	\$ 1,564
Accrued Salaries and Benefits	35,289	7,546	-	-	42,835
 Total Liabilities	 35,339	 9,060	 -	 -	 44,399
Deferred Inflows of Resources					
Unearned Revenue	24,092	-	-	-	24,092
Fund Balances					
Nonspendable Inventories	80,734	-	-	-	80,734
Assigned to:					
Food Services	484,673	-	-	-	484,673
Athletics Programs	-	28,429	-	-	28,429
Student Activity	-	-	444,203	1,000,000	1,444,203
 Total Fund Balances	 565,407	 28,429	 444,203	 1,000,000	 2,038,039
 Total Liabilities and Fund Balances	 \$ 624,838	 \$ 37,489	 \$ 444,203	 \$ 1,000,000	 \$ 2,106,530

Elizabeth School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue				
	Food Services	Athletics	Student Activity	Capital Reserve	Total
Revenues					
Local Sources	\$ 84,668	\$ 149,063	\$ 501,119	\$ -	\$ 734,850
State Sources	9,071	-	-	-	9,071
Federal Sources	1,038,495	-	-	-	1,038,495
 Total Revenues	 1,132,234	 149,063	 501,119	 -	 1,782,416
Expenditures					
Current					
Instruction	-	711,073	455,444	-	1,166,517
Supporting Services	6,149	187,325	-	-	193,474
Food and Enterprise Operations	992,402	-	-	-	992,402
 Total Expenditures	 998,551	 898,398	 455,444	 -	 2,352,393
Excess of Revenues Over (Under) Expenditures	133,683	(749,335)	45,675	-	(569,977)
Other Financing Sources (Uses)					
Transfers In (Out)	-	700,000	-	1,000,000	1,700,000
 Total Other Financing Sources (Uses)	 -	 700,000	 -	 1,000,000	 1,700,000
Net Change in Fund Balances	133,683	(49,335)	45,675	1,000,000	1,130,023
Fund Balances, Beginning of Year	431,724	77,764	398,528	-	908,016
Fund Balances, End of Year	\$ 565,407	\$ 28,429	\$ 444,203	\$ 1,000,000	\$ 2,038,039

Elizabeth School District
 Budgetary Comparison Schedule
 Food Services Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services				
Student Meals	\$ 23,000	\$ 45,000	\$ 72,828	\$ 27,828
Catering	-	-	11,840	11,840
State Sources				
Grants	437,000	353,500	9,071	(344,429)
Federal Sources				
National School Lunch and Breakfast Programs	325,000	374,000	1,038,495	664,495
 Total Revenues	 785,000	 772,500	 1,132,234	 359,734
Expenditures				
Salaries	403,714	413,775	409,418	4,357
Benefits	134,571	137,925	155,707	(17,782)
Purchased Services	25,000	35,000	20,608	14,392
Supplies and Materials	376,200	402,800	407,113	(4,313)
Property	116,000	116,000	5,705	110,295
 Total Expenditures	 1,055,485	 1,105,500	 998,551	 106,949
 Net Change in Fund Balance	 (270,485)	 (333,000)	 133,683	 466,683
 Fund Balance, Beginning of Year	 389,337	 431,724	 431,724	 -
 Fund Balance, Ending of Year	 \$ 118,852	 \$ 98,724	 \$ 565,407	 \$ 466,683

Elizabeth School District
 Budgetary Comparison Schedule
 Athletics Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 130,000	\$ 180,000	\$ 149,063	\$ (30,937)
Total Revenues	<u>130,000</u>	<u>180,000</u>	<u>149,063</u>	<u>(30,937)</u>
Expenditures				
Salaries	510,000	569,500	545,031	24,469
Benefits	150,000	150,000	146,551	3,449
Purchased Services	70,000	120,000	64,737	55,263
Supplies and Materials	30,000	100,000	36,408	63,592
Property	-	-	51,732	(51,732)
Other	<u>50,000</u>	<u>60,000</u>	<u>53,939</u>	<u>6,061</u>
Total Expenditures	<u>810,000</u>	<u>999,500</u>	<u>898,398</u>	<u>101,102</u>
Excess of Revenues Over (Under) Expenditures	(680,000)	(819,500)	(749,335)	70,165
Other Financing Sources				
Transfers In	<u>650,000</u>	<u>750,000</u>	<u>700,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	(30,000)	(69,500)	(49,335)	20,165
Fund Balance, Beginning of Year	<u>57,095</u>	<u>77,764</u>	<u>77,764</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 27,095</u>	<u>\$ 8,264</u>	<u>\$ 28,429</u>	<u>\$ 20,165</u>

Elizabeth School District
 Budgetary Comparison Schedule
 Student Activity Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 600,000	\$ 600,000	\$ 501,119	\$ (98,881)
Total Revenues	600,000	600,000	501,119	(98,881)
Expenditures				
Salaries	-	-	2,000	(2,000)
Purchased Services	200,000	200,000	69,502	130,498
Supplies and Materials	400,000	400,000	383,942	16,058
Total Expenditures	600,000	600,000	455,444	144,556
Net Change in Fund Balance	-	-	45,675	45,675
Fund Balance, Beginning of Year	435,004	398,528	398,528	-
Fund Balance, End of Year	<u>\$ 435,004</u>	<u>\$ 398,528</u>	<u>\$ 444,203</u>	<u>\$ 45,675</u>

Elizabeth School District
 Budgetary Comparison Schedule
 Capital Reserve Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenses				
Student Transportation	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Central Support	400,000	400,000	-	400,000
	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Total Expenditures				
	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Excess of Revenues Over (Under) Expenditures	(600,000)	(600,000)	-	600,000
Other Financing Sources				
Transfers In (out)	1,170,000	1,170,000	1,000,000	(170,000)
	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,000,000</u>	<u>(170,000)</u>
Net Change in Fund Balance	570,000	570,000	1,000,000	430,000
Fund Balance, Beginning of Year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>570,000</u>	\$ <u>570,000</u>	\$ <u>1,000,000</u>	\$ <u>430,000</u>

Elizabeth School District
 Budgetary Comparison Schedule
 Insurance Reserve Fund
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenses				
Insurance Claims	\$ 50,000	\$ 50,000	\$ 2,010	\$ 47,990
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(2,010)	47,990
Other Financing Sources				
Transfers In	-	(199,842)	-	199,842
Net Change in Fund Balance	(50,000)	(249,842)	(2,010)	247,832
Net Position, Beginning of Year	78,920	249,842	249,842	-
Net Position, End of Year	<u>\$ 28,920</u>	<u>\$ -</u>	<u>\$ 247,832</u>	<u>\$ 247,832</u>

Compliance Section

Single Audit



**HINKLE &
COMPANY**

Strategic PC
Business Advisors

**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***

Board of Education
Elizabeth School District
Elizabeth, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and remaining fund information of the Elizabeth School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, and have issued our report thereon dated February 14, 2025. The financial statements of Legacy Academy, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of 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.

Office Locations:

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Our consideration of the District's 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Hick & Company, PC

Englewood, Colorado
February 14, 2025





**Independent Auditor's Report on Compliance for Each
Major Federal Program, Internal Control over Compliance,
and the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Board of Education
Elizabeth School District
Elizabeth, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Elizabeth School District's (the District's) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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* (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.

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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.

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 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 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 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 a 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 internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

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

Hick & Company, PC

Englewood, Colorado
February 14, 2025



Elizabeth School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Disbursements	Expenditures to Subrecipients
U.S. Department of Education				
Passed through Colorado Department of Education				
Title I Part A	4010	84.010	\$ 184,766	\$ -
Title II Part A	4367	84.367	44,337	-
Title IV A	4424	84.424A	14,168	-
ESSER II Evidence Based Late Liquidation	4463	84.425D	139,512	-
ESSER III Rural Coaction	4429	84.425D	490,728	-
ESSER III Evidence Based Learning Loss	4418	84.425U	90,000	-
ESSER III	4414	84.425U	64,935	-
Education Stabilization Fund Cluster			785,175	-
Special Education Cluster				
Special Education	4027	84.027A	474,683	-
Special Education Preschool	4173	84.173A	16,607	-
Total Special Education Cluster			491,290	-
Total U.S. Department of Education			1,519,736	-
U.S. Department of Agriculture				
Passed through Colorado Department of Education				
Child Nutrition Cluster				
School Breakfast Program	4553	10.553	56,564	-
National School Lunch Program	4553	10.555	286,963	-
Supply Chain Assistance	6555	10.555	50,833	-
Total Child Nutrition Cluster			394,360	-
Passed through Colorado Department of Human Services				
National School Lunch Program - Food Commodities	4555	10.555	58,395	-
Total U.S. Department of Agriculture			452,755	-
Total Federal Financial Assistance			\$ 1,972,491	\$ -

Elizabeth School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

Note 2: Noncash Programs

Commodities donated to the District by the U.S Department of Agriculture (USDA) of \$58,395 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (10.555).

Note 3: Indirect Costs

The District does not charge a *de minimis* indirect cost rate.

Note 4: Subrecipients

The District did not pass through any federal funds to sub-recipients during the year ended June 30, 2024.

Elizabeth School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of Auditor's report issued on compliance for major federal programs:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Cluster/Program</u>
84.425D	Elementary and Secondary School Emergency Relief Fund (ESSER)
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Elizabeth School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Awards Findings and Questioned Costs

No current year findings or questioned costs were reported.

Elizabeth School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

Findings Required to be Reported by Uniform Guidance

No matters are reportable.

State Compliance



Colorado Department of Education
Auditors Integrity Report
District: 0920 - Elizabeth School District
Fiscal Year 2023-24
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental		+		-	=
10	General Fund	2,418,106	24,745,274	25,547,261	1,616,119
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
Sub- Total		2,418,106	24,745,274	25,547,261	1,616,119
11	Charter School Fund	1,868,498	5,944,280	5,974,265	1,838,512
20,26-29	Special Revenue Fund	1,055,909	502,715	455,929	1,102,694
06	Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07	Total Program Reserve Fund	0	0	0	0
21	Food Service Spec Revenue Fund	431,723	1,132,235	998,552	565,407
22	Govt Designated-Purpose Grants Fund	0	1,382,516	1,382,516	0
23	Pupil Activity Special Revenue Fund	77,764	849,064	898,398	28,430
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	0	0	0	0
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	0	1,000,000	0	1,000,000
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals		5,851,999	35,556,084	35,256,921	6,151,162
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	249,841	0	2,011	247,831
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		249,841	0	2,011	247,831
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		0	0	0	0

FINAL

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