



**District  
Mission:**

LCSD Challenges students to reach their fullest potential through personal, engaged and rigorous learning in the classroom and beyond.

**Board  
Priorities:**

Ensure all students stay on or above grade level each year and graduate prepared to successfully implement a plan for college or career.

Every day, we are college or career ready.

Provide all students with engaging learning opportunities.

Rigor and engagement are everywhere.

Create a space that is safe, inclusive and welcoming for all.

Diversity and culture make us better.

Plan and execute the capital and human capital investments that will make our district better.

We plan for the future.

**Lake County School District Board of Education**

**Dec. 9, 2024 4:30 pm Regular Meeting**

**Location: District Office-Room 11 & via Zoom**

1. 4:30 Call to order
2. 4:31 Pledge of Allegiance
3. 4:32 Roll Call
4. 4:33 Preview Agenda
5. 4:34 Public Participation

Members of the public who wish to address the board on non-agenda items are welcome to do so at this time. Please sign up with board secretary. We ask you to please observe the following guidelines:

- Confine your comments to matters that are germane to the business of the School District.
  - Recognize that students often attend or view our meetings. Speaker's remarks, therefore, should be suitable for an audience that includes kindergarten through twelfth grade students.
  - Understand that the board cannot discuss specific personnel matters or specific students in a public forum.
6. 4:40 The Board will vote to convene in executive session as follows: (i) Pursuant to C.R.S. 24-6-402 (4)(a) for the purpose of discussing the sale of real property identified in the attached and posted offer letter and maps, the extent to which such property is owned by the District.
  7. 5:30 Resume Regular Meeting
  8. 5:31 Land Sales Update
  9. 5:41 Consent Agenda
    - a. Nov. 11, 2024 Regular Meeting Minutes
    - b. Employee Status
    - c. Board Member time sheets
  10. 5:42 Discussion Item- LCSD & LCEA Classified Agreement
  11. 5:51 Action Item- LCSD & LCEA Classified Agreement
  12. 5:52 Discussion Item- LCSD & SCCC/SBHC MOU
  13. 6:01 Action Item- LCSD & SCCC/SBHC MOU
  14. 6:02 Discussion Item-LCSD & Advocates Lease
  15. 6:21 Action Item-LCSD & Advocates Lease
  16. 6:22 Discussion items
    - a. 6:22 4A Compensation Proposal
    - b. 6:42 LCSD Calendar Update
    - c. 6:50 LCSD 2023-2024 Audit
  17. 7:45 Action item - LCSD 2023-2024 Audit
  18. 7:50 Discussion Item-Supporting safe access to school
  19. 8:10 Superintendent update
  20. 8:15 Board Reports
  21. 8:25 Agenda Planning
  22. Adjourn
  23. Upcoming meeting or event:
    - a. Dec. 12, 2024 Special Meeting @ 3:00 pm @ District Office/Zoom
    - b. Jan. 13, 2025 Regular Meeting @ 5:30 pm @ District Office/Zoom
    - c. Jan. 27, 2025 Work Session @ 5:30 pm @ District Office/Zoom
    - d. Jan. 31, 2025 LCSD & LCEA Negotiations @ 8:30 am @ District Office/Zoom

Estimated duration of meeting is 2.5 to 3 hours \*\*Updated 12/6/2024

**A few welcoming notes:**

The board's meeting time is dedicated to its strategic mission and top priorities. • The "consent agenda" has items which have either been discussed prior or are highly routine. By not discussing these issues, we are able to spend time on our most important priorities. • "Public participation" is an opportunity to present brief comments or pose questions to the board for consideration or follow-up. Time limits are 3 minutes for individual speakers if fewer than 20 individuals have signed up to speak; 2 minutes' limit and 5 minutes for groups of 20 signed up; and 1 minute for individual and 3 minutes for groups if more than 30 have signed up to speak. Please see Board Policy GP-14 (Governance Process) for the full policy. The boundaries are designed to help keep the strategic meeting focused and in no way limits conversations beyond the board meeting. • Your insights are needed and welcomed and the board encourages you to request a meeting with any board member, should you have something to discuss. • If you are interested in helping the district's achievement effort, please talk with any member of the leadership team or call the district office at 719-486-6800. Opportunities abound. Your participation is highly desired.



## Misión del

### Distrito:

LCSD desafía a los estudiantes a alcanzar su máximo potencial a través del aprendizaje personal, comprometido y riguroso en el aula y más allá.

### Prioridades de la junta:

Asegúrese de que todos los estudiantes se mantengan en o por encima del nivel de grado cada año y se gradúen preparados para implementar con éxito un plan para la universidad o una carrera.

Todos los días estamos preparados para la universidad o una carrera.

Brindar a todos los estudiantes oportunidades de aprendizaje interesantes.

El rigor y el compromiso están en todas partes.

Crea un espacio seguro, inclusivo y acogedor para todos.

La diversidad y la cultura nos hacen mejores.

Planificar y ejecutar las inversiones de capital y capital humano que mejorarán nuestro distrito.

Planeamos para el futuro.

## Junta de Educación del Distrito Escolar del Condado de Lake

9 de diciembre de 2024 4:30 pm Reunión ordinaria

Ubicación: Oficina del distrito y via Zoom

1. 4:30 Llamada al orden
2. 4:31 Juramento a la bandera
3. 4:32 Pasar lista
4. 4:33 Vista previa de la agenda
5. 4:34 Participación pública

Los miembros del público que deseen dirigirse a la junta sobre temas que no estén en la agenda pueden hacerlo en este momento. Regístrese con el secretario de la junta. Le pedimos que observe las siguientes pautas:

- Limite sus comentarios a asuntos relacionados con los negocios del Distrito Escolar.
  - Reconozca que los estudiantes a menudo asisten o ven nuestras reuniones. Por lo tanto, los comentarios del orador deben ser adecuados para una audiencia que incluya a estudiantes de jardín de infantes a duodécimo grado.
  - Entender que la junta no puede discutir asuntos específicos de personal o estudiantes específicos en un foro público.
6. 4:40 The Board will vote to convene in executive session as follows: (i) Pursuant to C.R.S. 24-6-402 (4)(a) for the purpose of discussing the sale of real property identified in the attached and posted offer letter and maps, the extent to which such property is owned by the District.
  7. 5:30 Reanudación de la reunión ordinaria
  8. 5:31 Actualización de ventas de terrenos
  9. 5:41 Agenda de consentimiento
    - a. Acta de la reunión ordinaria del 9 de noviembre de 2024
    - b. Estado del Empleado
    - c. Hojas de tiempo de los miembros de la junta
  10. 5:42 Tema de discusión-Acuerdo clasificado de LCSD y LCEA
  11. 5:51 Elemento de acción-Acuerdo clasificado de LCSD y LCEA
  12. 5:52 Tema de discusión -MOU de LCSD y SCCC/SBHC
  13. 6:01 Elemento de acción- MOU de LCSD y SCCC/SBHC
  14. 6:02 Tema de discusión - Arrendamiento de LCSD y defensores
  15. 6:21 Elemento de acción- Arrendamiento de LCSD y defensores
  16. 6:22 Tema de discusión
    - a. 6:22 Propuesta de compensación 4A
    - b. 6:42 Actualización del calendario de LCSD
    - c. 6:50 Auditoría del LCSD 2023-2024
  17. 7:45 Elemento de acción- Auditoría del LCSD 2023-2024
  18. 7:50 Tema de discusión-Apoyando el acceso seguro a la escuela
  19. 8:10 Actualización del superintendente
  20. 8:15 Informes de la junta
  21. 8:25 Planificación de la agenda
  22. Aplazar
  23. Próxima reunión o evento:
    - a. 12 de diciembre de Reunión especial 2024 a las 3:00 p. m. en la oficina del distrito/Zoom
    - b. 13 de enero de 2025 Reunión ordinaria a las 5:30 p. m. en la oficina del distrito/Zoom

### A few welcoming notes:

The board's meeting time is dedicated to its strategic mission and top priorities. • The "consent agenda" has items which have either been discussed prior or are highly routine. By not discussing these issues, we are able to spend time on our most important priorities. • "Public participation" is an opportunity to present brief comments or pose questions to the board for consideration or follow-up. Time limits are 3 minutes for individual speakers if fewer than 20 individuals have signed up to speak; 2 minutes' limit and 5 minutes for groups of 20 signed up; and 1 minute for individual and 3 minutes for groups if more than 30 have signed up to speak. Please see Board Policy GP-14 (Governance Process) for the full policy. The boundaries are designed to help keep the strategic meeting focused and in no way limits conversations beyond the board meeting. • Your insights are needed and welcomed and the board encourages you to request a meeting with any board member, should you have something to discuss. • If you are interested in helping the district's achievement effort, please talk with any member of the leadership team or call the district office at 719-486-6800. Opportunities abound. Your participation is highly desired.



- c. 27 de enero de 2025 Sesión de trabajo a las 5:30 p. m. en la oficina del distrito/Zoom  
de enero de 2025 Negociaciones de la LCSD y la LCEA a las 8:30 a. m. en la oficina  
del distrito/Zoom

La duración estimada de la reunión es de 2,5 a 3 horas \*\* Actualizado 12/6/2024

**Algunas notas de bienvenida:**

*El tiempo de reunión de la junta se dedica a su misión estratégica y sus principales prioridades. • La "agenda de consentimiento" tiene elementos que han sido discutidos previamente o son muy rutinarios. Al no discutir estos temas, podemos dedicar tiempo a nuestras prioridades más importantes. • La "participación pública" es una oportunidad para presentar breves comentarios o plantear preguntas a la junta para su consideración o seguimiento. Los límites de tiempo son 3 minutos para oradores individuales si menos de 20 personas se han inscrito para hablar; Límite de 2 minutos y 5 minutos para grupos de 20 inscritos; y 1 minuto para individuales y 3 minutos para grupos si más de 30 se han inscrito para hablar. Consulte la Política de la Junta GP-14 (Proceso de gobernanza) para conocer la política completa). Los límites están diseñados para ayudar a mantener la reunión estratégica enfocada y de ninguna manera limita las conversaciones más allá de la reunión de la junta. • Sus ideas son necesarias y bienvenidas y la junta le anima a solicitar una reunión con cualquier miembro de la junta, en caso de que tenga algo que discutir. • Si está interesado en ayudar en el esfuerzo de rendimiento del distrito, hable con cualquier miembro del equipo de liderazgo o llame a la oficina del distrito al 719-486-6800. Abundan las oportunidades. Su participación es muy deseada d.*

**A few welcoming notes:**

*The board's meeting time is dedicated to its strategic mission and top priorities. • The "consent agenda" has items which have either been discussed prior or are highly routine. By not discussing these issues, we are able to spend time on our most important priorities. • "Public participation" is an opportunity to present brief comments or pose questions to the board for consideration or follow-up. Time limits are 3 minutes for individual speakers if fewer than 20 individuals have signed up to speak; 2 minutes' limit and 5 minutes for groups of 20 signed up; and 1 minute for individual and 3 minutes for groups if more than 30 have signed up to speak. Please see Board Policy GP-14 (Governance Process) for the full policy). The boundaries are designed to help keep the strategic meeting focused and in no way limits conversations beyond the board meeting. • Your insights are needed and welcomed and the board encourages you to request a meeting with any board member, should you have something to discuss. • If you are interested in helping the district's achievement effort, please talk with any member of the leadership team or call the district office at 719-486-6800. Opportunities abound. Your participation is highly desired.*



Kate Bartlett  
Superintendent, Lake County School District  
328 West 5th Street  
Leadville, CO 80461

December 6, 2024

Superintendent Bartlett:

The BOCC understands the school district's current difficult financial situation and would like to support it in a way that is mutually beneficial to the school district and Lake County. On November 5, 2024, the Lake County Board of County Commissioners (BOCC) voted to spend up to \$1.2 million dollars to acquire certain school district property. Lake County is interested in acquiring four parcels of land in exchange for payment in the total amount of \$1.2 million dollars.

The parcels the County is interested in acquiring include the following as depicted on the attached maps:

1. The parcel of land currently for sale between west 2<sup>nd</sup> and 3<sup>rd</sup> Streets less Oro Drive.
2. The east side of the parcel of land between Chestnut and west 2<sup>nd</sup> Street. This parcel will need to be subdivided.
3. The parcel of land to the east of the carwash between Elm St. and Highway 24.
4. The strip of land to the west of the elementary school near Harrison Ballpark. We have attached the legal description of this land parcel on the email sent to Superintendent Bartlett. Should the school district not be willing to sell all or part of this property, Lake County would request an easement on the south side of the strip of land to allow for access to utilities.

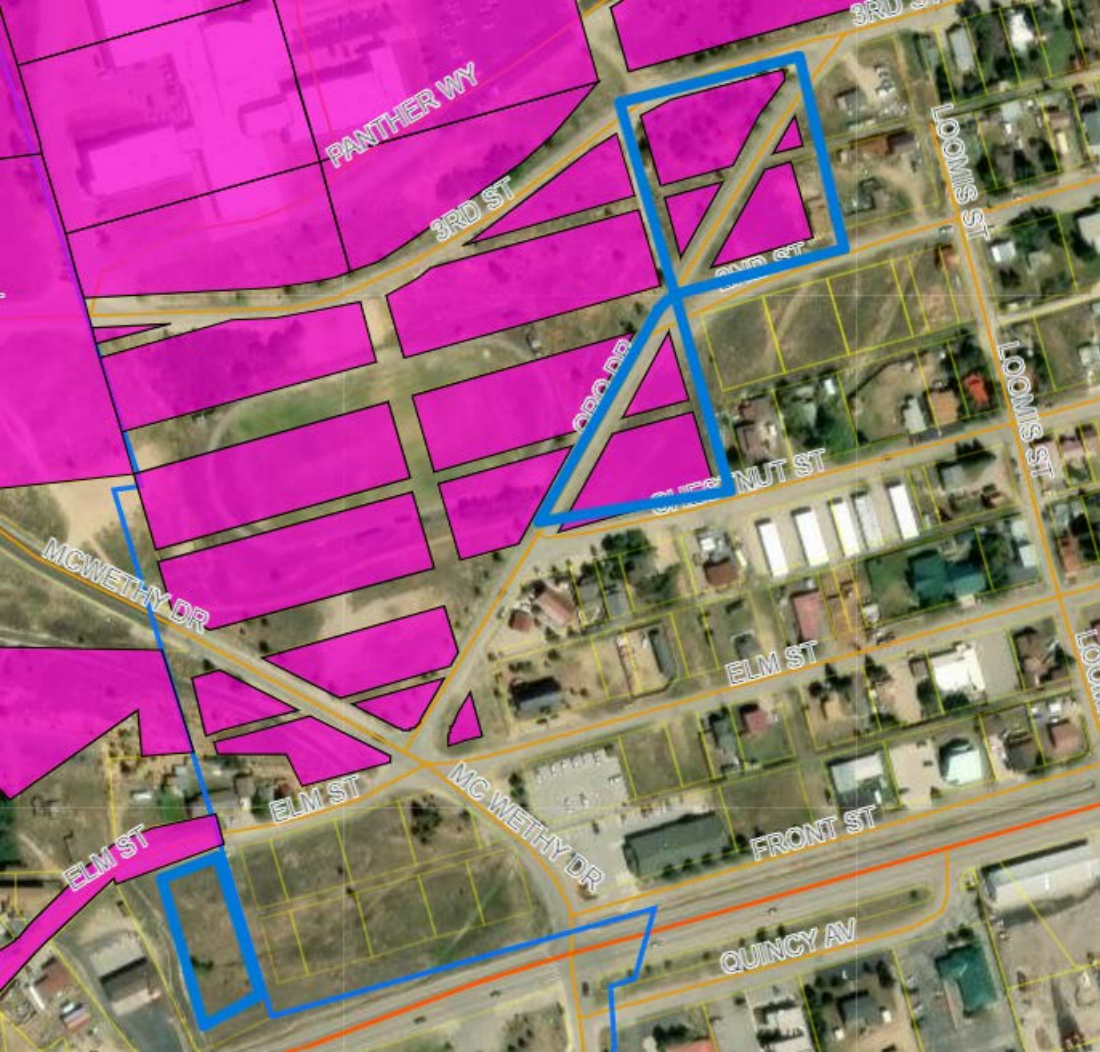
Additionally, Lake County must be provided full title work, including correct legal descriptions of the parcels and any associated surveys or appraisals the school district has. Should title work not be provided, the County will lower its offer price for these parcels.

Thank you for your consideration.

Tim Bergman

Lake County Manager





PANTHER WY

3RD ST

3RD ST

LOOMIS ST

LOOMIS ST

LOOMIS ST

NUT ST

ELM ST

ELM ST

MC WETHY DR

FRONT ST

QUINCY AV

MCWETHY DR

ELM ST



## SCHOOL BOARD MINUTES

### Regular Meeting

November 11, 2024

**Meeting called to order** –Director Baker called the meeting to order.

**Roll Call of Members** - The regular meeting of the Board of Directors for Lake County School District R-1 was called to order on Nov. 11, 2024, at 5:30 p.m. and was held at the District Office and via Zoom. Directors Baker, Charles, Cooper, Earley, Lozano (via zoom) and Superintendent Bartlett were present.

**Pledge of Allegiance** –Director Baker led the pledge of allegiance.

**Preview of agenda-** No changes needed.

**Public Participation-** Jane Harelson, from PB Swims, spoke regarding the pool and 2A and 2B passing and their plans still include redoing the existing pool and looking forward to working with the district.

**Action items-** It was moved by Director Cooper to approve the consent agenda. Director Charles seconded the motion;

	Baker	Charles	Cooper	Earley	Lozano
Aye	X	X	X	X	X

Nay					
Absent					
Abstain					

motion carried 5-0-0-0.

**Spotlights-** John Mora, from the IT department reported to the board on the status of the IT department for the district.

**Discussion items-** Superintendent Bartlett and Jim Mulcey gave an update on potential land sales and next steps. The board discussed 4A passing and next steps. Superintendent Bartlett shared updated versions of BSR-5E, BRS-5E2 and SP-4C1 and a review of the board retreat.

**Superintendent Update-** Superintendent Bartlett reported on Oct. count numbers, therapy/service dog administrative policies, exploring a district wide cell phone policy service, an update to the Field Trip policy and Medicare on retired staff members.

**Board Reports-** Director Baker attended a LURA meeting and passed a budget for the next year. Director Cooper attended the DAC meeting. Director Charles had not report as the first BOCES meeting is this week. Director Earley had no report. Director Lozano reported on the Policy Council meeting.

Upcoming meetings and agenda planning were discussed.

It was moved by Director Cooper to adjourn the meeting. Director Charles seconded the motion; motion carried.

Meeting adjourned at 7:39 pm.



**ATTEST:**

---

Melissa Earley, Secretary

---

John Baker, President

Lake County School District R-1  
Employee Status Report  
December 9, 2024

prepared: 12/6/2024

***Certified Staff***

***Recommended for Hire***

<b>Name</b>	<b>Assignment</b>	<b>Degree</b>	<b>License- Endorsement</b>	<b>Experience</b>
<b>Name</b>	<b>Current Assignment</b>	<b>Transfer Assignment</b>	<b>Location</b>	<b>Effective</b>
<b><i>Resignations/Terminations</i></b>				

\_\_\_\_\_  
John Baker, President

\_\_\_\_\_  
Melissa Earley, Secretary

## Lake County School District R-1

prepared: 12/6/2024

## Employee Status Report

December 9, 2024

**Support Staff/Classified****Recommended for Hire**

Dannenbrink, Sarah	Project Dream Crew Leader	LCIS	11/8/2024
Marshall, Cynthia	Music Accompanist	LCHS	11/20/2022
Robinette, Alexa	Assistant Preschool Teacher	Preschool	12/04/2024
Villarreal, Melissa	Bus Driver	Transportation	12/2/2024

**Name****Current Assignment****Transfer Assignment****Effective**

Douglas, Sophia	ELD Instructional Para-LCIS	ELD Instructional Para- LCES	12/2/2024
-----------------	-----------------------------	------------------------------	-----------

**Resignations/Terminations**

Carrasco, Zayda	Custodian Substitute	LCIS	11/22/2024
Cruz Garcia, Julia	Instructional Paraprofessional-bilingual	LCIS	12/19/2024
Morales, Enrique	Custodian	LCIS	11/22/2024
Wanek, Cara	Permanent Substitute	District	11/8/2024

\_\_\_\_\_  
John Baker, President\_\_\_\_\_  
Melissa Earley, Secretary

Lake County School District R-1

prepared: 12/6/2024

Employee Status Report

December 9, 2024

<b><u>2024-2025 Openings</u></b>			
<b><u>Certified/Staff</u></b>			
<b><u>Classified/Support Staff</u></b>			
Bus Driver	Transportation	2024-2025	
Bus Technician (part time)	Transportation	2024-2025	
Part Time Trips Driver	Transportation	2024-2025	
Substitute Teachers, Custodians, Cooks	PreK-12	2024-2025	
<b><u>Coaches</u></b>			
Asst. MS Track & Field			
Officials (for volleyball, basketball, soccer, and football)			

**PAY PERIOD**  
**November 1, 2024 TO November 30, 2024**

Name: Grayson Cooper

\$37

1 December 2024

Date \_\_\_\_\_

Date \_\_\_\_\_

[illegible]

<b>DATE</b>	<b>DESCRIPTION</b>						<b>HOURS</b>	<b>RATE</b>	<b>TOTAL</b>
11/04/2024	Board of Education Regular Meeting						2	\$75	\$75.00
Total							2		\$75.00
	Employee Address								
	_____						Miriam Lozano	12/03/24	
	_____						Employee's Signature	Date	
	_____						Supervisor's Signature	Date	



Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Kate Bartlett  
MEMO PREPARED BY: Kate Bartlett  
INVITED GUESTS: LCEA Representatives (optional)  
TIME ALLOTTED ON AGENDA: 10 minutes  
ATTACHMENTS: 1

RE: *Ratification of LCEA Classified Contract, Approval*

### TOPIC SUMMARY

**Background:** Several years ago, LCEA and LCSD leadership began working on a new contract to create a bargaining unit for the district's non-administrative preschool staff as well as its paraprofessionals.

**Topic for Presentation:** The final version of the contract is presented for your approval and ratification. It has already been ratified by the members of LCEA who are represented in this new bargaining unit.

**MASTER AGREEMENT**

**BETWEEN**

**LAKE COUNTY SCHOOL DISTRICT R-1**

**AND**

**LAKE COUNTY EDUCATION ASSOCIATION**

Para-Professionals, and Non-Administrative Pre-School Staff

December 2024

## **PREAMBLE**

The District and the Association recognize and declare that providing a quality education for the children attending school in the Lake County School District R-1 is their mutual aim. The Parties desire to promote collaborative relationships among the Board, administration, and all staff, specifically the para-professionals, and non-administrative pre-school staff of the District who are covered by this Agreement, with the purpose of supporting the best student education and learning environment. Additionally, the Parties desire to provide a structure that will also ensure mutual respect, values, and honor while the Parties carry out this education mission.

**NOW, THEREFORE, the Parties, agree to the following.**

## **ARTICLE I - PARTIES**

The Parties to the Collective Bargaining Agreement (Agreement) are the **LAKE COUNTY SCHOOL DISTRICT R-1**, in the County of Lake and the State of Colorado, and the **LAKE COUNTY EDUCATION ASSOCIATION**.

## **ARTICLE II - TERM**

The term of this Agreement shall be from the Board's execution date as set forth below through June 30, 2025. This Agreement shall not be amended in whole or in part except in writing duly executed and ratified by the District and the Association.

## **ARTICLE III - DEFINITIONS**

- 3.1** The term "District" shall mean the Lake County School District R-1 in the County of Lake and the State of Colorado.
- 3.2** The term "Board" shall mean the Board of Education of the District.
- 3.3** The term "Association" shall mean the Lake County Education Association.
- 3.4** The term "Superintendent" shall mean the Superintendent of the District.
- 3.5** The term "Administrator" shall mean all supervisory personnel employed by the District, including the Superintendent, Directors, Principals, and Assistant Principals.
- 3.6** The terms "District" and "Association" shall include authorized officers, representatives, and agents.
- 3.7** The terms "Parties" as used in this Agreement shall mean the "District" and the "Association".

**3.8** The term “Employee” means all covered members of the bargaining unit, which is all para-professionals, and non-administrative pre-school staff of the District. Notwithstanding that Employees may be less than Full-time, it is specifically understood that only Employees who work thirty (30) hours or more a week during their employment period shall be eligible for health insurance benefits and other benefits shall be prorated according to the Employee’s Full-Time Equivalency (FTE).

**3.9** The term “Full-Time” refers to any employee whose work schedule is thirty (30) hours or more for a week for the entire school year.

**3.10** The term “Compensation” shall mean the annual increases for hourly rates for the District’s current Employees; it specifically does not extend to base wages, any other form of compensation, and any other financial matters.

**3.11** The term “Day” shall mean a workday when the District administration is open unless otherwise expressly defined in a specific section in the Agreement.

#### **ARTICLE IV – RECOGNITION**

**4.1** The District recognizes the Association as the sole negotiating agent for the negotiating unit for the term of this Agreement.

**4.2** The bargaining unit shall consist of all para-professionals, and non-administrative pre-school staff of the District. It shall not include any other District employees, even if such employees are members of the Lake County Education Association.

#### **ARTICLE V – RESERVATION OF MANAGEMENT RIGHTS**

**5.1** The District and the Association recognize that the Board has certain powers, discretions, and duties that under the Constitution and the laws under the State of Colorado may not be delegated, limited, or abrogated by Agreement with any party.

**5.2** The management of the District in the direction of the Employees for all purposes is vested solely and exclusively in the Board and shall not in any way be abridged except as specially limited by the express terms of this Agreement. This District preserves and retains solely and exclusively all of its constitutional, statutory, and common law rights and responsibilities to manage the District, and to take any and all necessary action to carry out the mission of the District. The District specifically maintains its supervision and control of all operations, including, but not limited to, the right to hire, promote, suspend, or discharge employment, and/or to transfer employees, to relieve employees from duty because of lack of work, or for any other non-discriminatory reason or for no reason at all.

**5.3** Only such provisions as specifically set forth in writing in this Agreement, shall be negotiated. Any and all rights, duties, and authority by the District shall remain in the District’s sole discretion even if not set forth herein.

## **ARTICLE VI – NO STRIKES OR WORK STOPPAGES**

**6.1** It is agreed by the Association that during the term of this Agreement there will be no strike, picketing, picket line observance, work slowdown, or other concerted work-related activity by members of the Association, including, without limitation, any activity which impairs the classroom performance of the members of the Association. The parties acknowledge that the provisions of this Article are essential for the protection of the District, and that any breach of this Article would cause immediate and irreparable damage to the District. All Employees and Employee representative organizations are prohibited from engaging in this conduct. Any violation of the foregoing provisions may be grounds for discipline.

## **ARTICLE VII – GENERAL**

**7.1 Governing Law.** This Agreement shall be governed and construed according to the Constitution and laws of the State of Colorado.

**7.2 Multi-Fiscal Year Requirements.** Pursuant to Section 22-32-110(5), C.R.S., the District may reopen negotiations regarding Compensation and health insurance when it deems necessary for budgetary purposes. Additionally, this Agreement is a multi-fiscal year obligation that is subject to appropriation pursuant to Article X, Section 20 of the Colorado Constitution. As such, the District has the Constitutional right under Article X, Section 20 of the Colorado Constitution to non-appropriate funds for any multi-fiscal year financial obligations undertaken in this Agreement. The District will provide the Association with written notice of such non-appropriation; however, even without such notification, the non-appropriation shall be effective. Upon cancellation as provided in this paragraph, the District shall not be responsible for any payment which would fall due after the end of the fiscal year in which notice of cancellation was given, but shall be required to meet promptly with Association Representatives to renegotiate the cancelled obligation.

**7.3 Non-Discrimination.** Neither the Board, the Association, nor either's members, agents, representatives or employees shall discriminate against any Employee as a result of membership or non-membership in the Association. Additionally, neither Party shall discriminate based upon race, gender, sex, religion, creed, or any other protected class.

## **ARTICLE VIII – NEGOTIATIONS PROCESS**

**8.1 Interim Year Negotiations for Compensation.** During the interim year of the term of this Agreement (2023-2024), only Compensation and health insurance shall be negotiated.

## **8.2 Successor Agreement Negotiations.**

**8.2.1 Association Notice Requirement.** In the final school year of the term of this Agreement (2024-2025), the Association may provide written notice to the District by February 1 (February 1, 2025) of its intent to negotiate a successor agreement. If written notice of the intent to negotiate a successor agreement is not made by the Association in writing by that time, the Agreement and all contained terms will automatically terminate at the expiration date for the term of the Agreement.

**8.2.2 Negotiations Topics.** If the Association provides such notice, then the parties shall, in good faith, meet to negotiate such successor agreement. For said negotiations, the items to be negotiated shall only include Compensation, the amount of the District's contribution to health insurance premiums, and, if either party desires, a maximum of three (3) proposals for language regarding any current Agreement provision. Upon mutual prior written agreement parties may bring more than three (3) proposals, with a maximum of five (5) proposals. If either party desires to negotiate their respective language items as permitted by this Article, that party shall provide in writing to the other party a list of such language items at least two (2) weeks prior to the initial meeting under Article 8.6 below.

**8.3 Negotiating Teams.** For negotiations under this Agreement, each party may have a maximum of six (6) team members. The Association's representatives shall be members of the bargaining unit and may also include a UniServ Director and/or other outside contracted negotiations advisor or consultant. Of the six (6) team members for the Association, at least one (1) seat each shall be reserved to be filled by members who hold a contract/notice of assignment as a para-professional, and non-administrative preschool staff member. If no such staff member fills the seat, then such seat shall remain vacant on the Association's team. Prior to the time set for the first negotiations session, the District and Association shall each designate in writing the team member names.

**8.4 Potential Coordination of Negotiations with the LCEA Teachers.** To the extent feasible, the negotiations in either an Interim Year Negotiations for Compensation pursuant to Article 8.1 or for a Successor Agreement pursuant to Article 8.2 may be in coordination with the LCEA Teacher's Contract negotiations when the parties mutually agree in writing by January 31.

**8.4.1 Negotiation Team Membership.** If mutually agreeing to this coordination, a maximum of nine (9) members of the combined two separate bargaining units may attend as the negotiations team, including a minimum of one (1) member each who holds a contract/notice of assignment as a para-professional, and non-administrative preschool staff member. If no such member is on the team, then such seat shall remain vacant.

**8.4.2 Limitation on Language Negotiation Topics.** If mutually agreeing to this coordination for language items, notwithstanding Article 8.2.2, there shall be a maximum of one (1) language proposal from this bargaining unit.

**8.4.3 Salary Negotiations.** Nothing in this provision shall require the parties to coordinate both language and salary negotiations in the same year. The parties may determine to coordinate only salary negotiations.

**8.4.4 Timing.** If **mutually** agreeing to this coordination, the timetable for negotiations shall be that of the LCEA teacher contract negotiations.

**8.5 Substitute Costs.** Negotiations shall be scheduled on non-work days (e.g. Fridays) or after school hours unless otherwise agreed upon by the Parties. In the event that substitutes are required for Employees to attend negotiations for this Agreement, the District and Association shall split the cost of the substitutes.

**8.6 Negotiations Process.** Both the District and the Association have an interest in a negotiations process that is effective in resolving problems arising in or relating to negotiations. The Parties shall determine on an annual basis the negotiations method to be utilized for bargaining.

**8.7 Negotiations Timing and Schedule.** Negotiations pursuant to Articles 8.1 and 8.2 above shall begin by the second week of April. The initial meeting shall include time for the teams to set the negotiations schedule, review the language items to be negotiated, and set the agenda for the next negotiations session. All reasonable efforts shall be made to conclude the negotiations by the second week of May. If agreement is not reached by this time, the parties may mutually agree to continue to negotiate. If there is no such agreement, then the parties shall be at impasse.

**8.8 Memorandum of Understanding.** If during the term of this Agreement the parties mutually agree to amend any provision, a Memorandum of Understanding (MOU) shall be utilized to record such amendment in writing as required by Article II. Nothing requires either Party to negotiate or agree to any amendment through an MOU. The MOU shall be in writing and shall be submitted to the Association's membership for ratification, and upon a successful ratification, to the Board of Education for its approval.

**8.9 Impasse Procedures.** If, during the course of negotiations, a mutually satisfactory solution to an issue or issues is not reached, either Party may declare in writing that an impasse exists and submit the issue or issues in dispute to mediation or fact finding.

**8.9.1 Issues in Dispute.** After impasse has been declared, within five (5) business days, a list shall be prepared including all items agreed upon to date as well as those items to be submitted to mediation or fact-finding. Each item shall show the last position taken by each negotiating team which should thereby clarify the difference between the Parties. This list shall be signed by the



spokesman or chief negotiator of both negotiating teams and presented to the mediator and/or fact-finder.

**8.9.2 Processes Available During Impasse.** The following procedures shall be available to the Parties to attempt to resolve any impasse which may be reached in the bargaining process:

**8.9.2.1 Mediation.**

**8.9.2.1.1** During the course of negotiations, either Party or both Parties may jointly request mediation services from the Federal Mediation and Conciliation Services (FMCS), or other mediator mutually agreeable to the Parties, to assist the parties in attempting to reach an accord.

**8.9.2.1.2** The mediator shall meet with the parties within ten (10) working days of the request. The Parties and the mediator shall establish the mediation schedule and the ground rules.

**8.9.2.1.3** The cost and fees of mediation, if any, shall be shared equally by the Parties.

**8.9.2.2 Fact-Finding.** The advisory fact-finding procedure may be initiated if the Parties are unable to resolve the dispute through mediation. When advisory fact-finding is initiated, the following procedures shall be utilized.

**8.9.2.2.1 Fact-finder Selection.** The Parties will attempt to mutually agree upon a fact-finder. If the parties are not successful in selecting a desired neutral in this fashion, either party may submit a request to the American Arbitration Association for selection of a neutral or neutrals according to its then current rules, requesting the American Arbitration Association to submit identical lists of names of five (5) persons skilled in resolution of educational labor disputes to each party within seven (7) calendar days. Five (5) days after receipt of the list or lists, the parties shall convene either personally or by telephone and shall alternately strike names until one (1) name is left. The remaining name shall be the neutral fact-finder. If the parties have initiated fact-finding jointly, the party striking first shall be determined by a coin flip. If one (1) party has initiated the request for fact-finding, that party shall strike first.

**8.9.2.2.2 Hearings.** The dates, times, and format of meetings and hearings will be arranged by the fact-finder and the Parties. The fact-finder shall convene a hearing upon at least ten (10) days written notice to both parties at which both parties may appear to present

the facts and argument with regard to those matters remaining in dispute. Fact-finding shall be held within sixty (60) days of the selection of the fact-finder or by the earliest date the fact finder and Parties are available.

**8.9.2.2.3 Advisory Recommendation.** The advisory fact-finding report shall be issued to the parties within thirty (30) working days of the conclusion of any hearing, the submission or post-hearing briefs, or the submission of the transcript of the hearings, whichever occurs last. The report shall contain the findings of fact, reasoning, and recommended terms of a proposed settlement on the issues submitted. The fact-finding report shall be advisory only and shall not be binding on the Board or the Association.

**8.9.2.2.4 Consideration of Advisory Recommendation.** After the advisory fact-finding report is received, the District and the Association shall give the report due consideration; provided, however, that the final decision with respect to the matter which was the subject of the advisory fact-finding shall remain in the discretion of the Board. To the extent that tentative agreement is reached on the issues in dispute as a result of fact finding, the procedures for ratification shall be followed as set forth in the Agreement. The representatives of the Board and the Association shall take official action on the advisory report at the next regularly scheduled Board meeting or ten (10) days after receipt of the recommendation, whichever is later. The final decision with respect to the matter that was the subject of the fact-finding process shall remain in the discretion of the Board.

**8.9.2.2.5 Cost Share.** The cost of advisory fact-finding, if any, including the costs and fees of the fact-finder, including per diem expenses, if any, and actual and necessary travel expenses, shall be shared equally by the Parties. However, each Party shall pay its own attorney's fees, expert fees, and/or other consultant fees, in any.

## **ARTICLE IX – EMPLOYMENT OVERTIME**

**9.1 Overtime Pay.** The District will determine which Employees are subject to minimum wage and overtime requirements pursuant to law. These non-exempt employees will be paid overtime at the rate of one and one half (1 ½) times of their regular rate of pay for actual hours worked in excess of forty (40) hours in any work week. All overtime must be approved ahead of time by the Employee's supervisor.

**9.2 No Compensatory Time.** Compensatory time (also known as Compensation Time or Comp Time) is not allowed. Employees may work to receive advanced approval from their respective supervisors to adjust their workweek schedule. The Employee's

supervisors shall have the sole discretion to make any such requested workweek schedule adjustments. Any additional hours beyond the contracted time shall be compensated with regular pay or by overtime pay, as appropriate, as set forth in Article 9.1 above.

## **ARTICLE X – RIGHT TO JOIN ASSOCIATION/NO RETALIATION OR DISCRIMINATION**

**10.1** The District and the Association agree that every Employee shall have the right to freely join and support the Association if desired. Additionally, every Employee shall have the right to not join the Association. Neither party will directly or indirectly discourage, deprive or coerce an Employee in the exercising any rights to join or not join the Association.

## **ARTICLE XI – ASSOCIATION DUES**

**11.1** The District agrees to deduct from each Association member's paycheck an amount to cover the Association dues as established by the Association from time to time, as each individual educational staff member may voluntarily authorize, in writing, to be deducted, and to transmit the amount so deducted and so authorized to specified representatives of the Association on a monthly basis.

**11.2** The deduction of Association dues shall be made on each paycheck following the pay period in which the written authorization was received.

**11.3** An Association member may revoke, in writing, such dues deduction at any time. Dues deduction will continue to be automatic unless revoked in writing by the Association member. The District shall cease the dues deduction for that member on the paycheck following the pay period when such written authorization was received.

**11.4** The Association shall indemnify the District and hold it harmless against all claims, demands, suits or any other forms of liability that shall arise out of or by reason of any action taken by the District for this purpose.

## **ARTICLE XII – USE OF SCHOOL FACILITIES**

**12.1 Facility Use Request Form.** The Association and its members shall have the right to use school facilities and equipment by following Board Policy and Procedures, including the use of District's facilities use request form. The District may, but is not required to, waive associated fees for such use.

## **ARTICLE XIII – EMPLOYEE RIGHTS**

**13.1 Personnel Files.** Except for pre-employment confidential letters of reference or placement files concerning employment, or letters of reference, an Employee, upon request, shall have the right to view the contents of his/her personnel file maintained at

the District's Administration Building and to make copies of any documents contained in such files, at his/her own expense. No materials derogatory to the Employee's conduct, service, character or personality will be placed in said personnel file unless the Employee has had an opportunity to review such materials. An Employee shall have the right to submit a written response to such materials within ten (10) days of the date on which the Employee was given the opportunity to review such material. The response shall be attached to the materials to which it relates.

## **ARTICLE XIV – HEALTH INSURANCE**

**14.1** The District will provide group health insurance available to all Employees. Employees will be treated equally regarding access to health insurance. The District, in its sole discretion, shall determine the provider for such health insurance.

## **ARTICLE XV – PAID TIME OFF**

### **15.1 Paid Time Off (PTO).**

**15.1.1** Each employee shall earn twelve days of Paid Time Off (PTO) each contract year. Such leave shall be accrued by the employee on the first day of the fiscal year. Part time staff will receive PTO at a rate proportional to their FTE percentage.

**15.1.2** PTO is provided for the employee's use under the following conditions:

#### **15.1.2.1 Sick Leave.**

**15.1.2.1.1** For an appointment with a doctor, dentist or other health care specialist.

**15.1.2.1.2** For the illness of the teacher or the teacher's immediate family.

#### **15.1.2.2 Personal Leave.**

**15.1.2.2.1** For any other purpose. And,

**15.1.2.2.2** Other allowable uses as allowed per law.

**15.1.3** If an employee exhausts all Current and Accrued PTO leave, any excess PTO days taken by the employee that are not covered by the sick leave bank shall be deducted from the employee's pay as Leave Without Pay at the employee's daily rate.

**15.1.4** PTO shall be requested at least 3 working days prior to absence. The only exception shall be in cases of illness or emergency. Employees shall follow procedure to notify the substitute coordinator and supervisor so that arrangements

can be made for substitutes or other necessary personnel. PTO requests may be granted or denied based on the availability of substitutes.

**15.1.5** PTO may not be taken to extend Thanksgiving, winter or spring break, or during the first four weeks (including in-service days), or the last two weeks, of the teacher contract year unless being used for sick leave or emergency. Under exceptional or hardship situations, exceptions must be approved by the Superintendent or his/her designee.

**15.1.6** The maximum number of days of PTO that may be used for personal leave consecutively is two contract days. Under special or hardship situations, exceptions must be approved by the Superintendent or his/her designee.

#### **15.1.7 Accrued PTO.**

**15.1.7.1** Unused PTO days shall accrue from year to year during an employee's employment up to a maximum of 90 days of Accrued PTO. All current sick and personal leave accrued before July 1, 2019, shall roll over and be included in the employee's Accrued PTO balance. Accrued PTO is subject to the following regulations:

**15.1.7.1.1** Unused PTO days that would take an employee's Accrued PTO balance over 90 days shall be "cashed in" at the end of each fiscal year (June 30) and paid to the employee at the base substitute rate, rather than rolled over into the Accrued PTO balance.

**15.1.7.1.2** No employee shall receive pay for Accrued PTO at the time of termination of employment, except for retiring employees (defined as employee's retiring through PERA or having 20 years or more of service in LCSD), who shall be paid half of the base substitute daily rate per unused Accrued PTO day.

**15.1.7.2** Accrued PTO may only be used for the purposes of sick leave, as defined above in 15.1

**15.1.7.3** Current PTO must be used before Accrued PTO may be used in a given year.

#### **15.1.8 Annual PTO Buy-Back.**

**15.1.8.1** If an employee has 7 or more days of remaining Current PTO at the end of the fiscal year (June 30), s/he may receive payout for the remaining days at the base substitute teacher rate according to the schedule below:

**15.1.8.1.1** An employee who has 10 or more remaining Current PTO days may opt to receive payout for up to four (4) PTO days at the base substitute rate.

**15.1.8.1.2** An employee who has 9 remaining Current PTO days may opt to receive payout for up to three (3) PTO days at the base substitute rate.

**15.1.8.1.3** An employee who has 8 remaining Current PTO days may opt to receive payout for up to two (2) PTO days at the base substitute rate.

**15.1.8.1.4** An employee who has 7 remaining Current PTO days may opt to receive payout for up to one (1) PTO days at the base substitute rate.

**15.1.8.1.5** An employee who has 6 or fewer remaining Current PTO days does not have a payout option.

**15.1.8.2** Days that are eligible for and opted for payout will be paid on the June paycheck of the contract year and will be paid at the daily substitute rate. Any additional days missed, other than those allowed herein or in other leave policies, will result in a reduction of pay on a per diem basis.

**15.1.8.3** An employee who does not opt to have eligible PTO days paid out will have those days roll over into Accrued PTO as defined above.

## **15.2 Sick Leave Bank.**

**15.2.1** A sick leave bank shall be established, based upon PTO days contributed by employees to the bank, to provide a source of leave beyond an individual employee's Current and Accrued PTO for employees, or employees immediate family members, whose illness(es) cause them to exhaust their Current and Accrued PTO leave. An employee must exhaust all Current and Accrued PTO before accessing the sick leave bank for any purpose.

**15.2.2** Sick leave bank may only be used for the employee's, or the employee's immediate family members, illness (including mental or physical), disability, or for the employee's emotional well-being associated with a traumatic event or emergency. Use of the sick leave bank is not intended for elective procedures or procedures that can be delayed without health consequences until a time during which school is not in session. The bank may be used for a employee's maternity leave. Maternity leave is defined as 6 weeks for a "normal" delivery and 8 weeks for a "complicated" delivery.

**15.2.3** To become a member of the sick leave bank, an employee shall donate one PTO day each year for the first three years the employee is a member. If, at any time, the balance of days in the sick leave bank drops below one hundred days, participating employees will be required to donate one additional day per year until the balance in the bank equals or exceeds one thousand days. In the event an employee chooses not to participate in the bank, or wishes to withdraw from the bank, the employee must provide written notice to the Human Resources Director and to the Association.

**15.2.4** A Sick Leave Bank Committee shall consist of the President of the Association and up to two members of LCEA leadership. The Committee shall be governed by guidelines which shall be drafted by the Association, reviewed by legal counsel for the District and the Association, and approved by the District and the Association. The Committee shall review applications for the use of sick leave bank days, shall apply the guidelines in good faith, and shall approve or deny the application. The Committee will report documentation and outcome of the application to the Human Resource Director.

**15.2.5** A member of the sick leave bank seeking to utilize days from the bank must submit a written application to the Sick Leave Bank Committee. Before approving the application, the Sick Leave Bank Committee may require the member to submit verification from the member's physician that the member is unable to work and the estimated period of recovery for the member or the member's immediate family.

**15.2.6** No member may use more than 60 days from the sick leave bank in any school year.

## **ARTICLE XVI – EVALUATION**

**16.1 Evaluation Purpose.** The primary function of evaluations is the improvement of all Employees' performances.

**16.2 Evaluation Timing.** All Full-Time Employees shall receive one (1) evaluation each school year by their immediate supervisor. Evaluations are maintained in District Human Resources personnel files.

## **ARTICLE XVII – DISCIPLINE**

**17.1 Just Cause Requirement for Discipline.** No employee will be disciplined or reprimanded in writing, including having a reduction in compensation, without just cause.

**17.2 Continuing Employment Rights.** No employee may be terminated mid-year without just cause following three (3) consecutive years of employment with effective or satisfactory (or other similar ratings as used by the District in the relevant evaluation system) evaluations. An individual employee who has not been terminated prior to June



1 of the end of the third such year, shall receive an employment contract for the following school year. The employee shall then have ongoing job protections, meaning they may not be dismissed without just cause. In the event that an employee has two consecutive years of ineffective or unsatisfactory (or other similar rating as used by the District in the relevant evaluation system) ratings after gaining continuing employment rights, then such employee shall lose continuing employment rights at the beginning of the next school year. Upon the effective date of this Collective Bargaining Agreement, any bargaining unit members meeting the criteria of three (3) consecutive years of employment with effective evaluations shall have ongoing job protections as described in this section. Bargaining unit members not meeting the criteria of three (3) consecutive years of employment with effective or satisfactory (or other similar ratings as used by the District in the relevant evaluation system) evaluations shall have their then-current continuous years of demonstrated effectiveness or satisfaction count towards these ongoing job protections.

**17.3 Restorative Practices.** Nothing in this Article shall limit the District's ability to utilize restorative practices in lieu of any formal disciplinary process in the District's discretion and with the consent of the Employee involved.

**17.4 Right to a Representative.** Every Employee has the right to have an Association representative in attendance at any disciplinary meeting. The District shall, provide the Employee reasonable notice in order to allow time to secure representation. The role of the Association representative is limited to advising the staff member.

**17.5 Progressive Discipline.** The Parties agree that progressive discipline is the preferred disciplinary process. The District will utilize a progressive discipline approach; however, the District may determine that such an approach is not appropriate for an individual situation if the situation is determined to be sufficiently serious to skip a step of the progressive discipline process. The standard sequence of such disciplinary action would be as follows:

Verbal and/or written reprimand;  
Suspension; and,  
Termination.

**17.6 Employee Response.** Employees may respond to any letter of warning or letter of reprimand in writing. These responses must be provided to their administrator within ten (10) working days of receipt of the letter of warning or letter of reprimand. These letters will then be attached to the appropriate letter in their personnel file.

## **ARTICLE XVIII – GRIEVANCE**

**18.1 Grievance.** A grievance is defined as a complaint of an alleged material violation, misinterpretation, or misapplication of the terms of this Agreement as they apply to Employees. Notwithstanding the foregoing, a Grievance shall not include any

matter where the method of review is prescribed by law, or the Board is without authority to act, or concerning any discipline of an Employee.

**18.2 Grievant.** A grievant is defined as an Employee.

**18.3 Purpose.** Good morale is maintained, as problems arise, by sincere efforts of all persons concerned, to work toward constructive solutions in an atmosphere of courtesy and cooperation. The purpose of this procedure set forth in this Article is to secure, at the lowest possible administrative level, equitable solutions to the problems which may arise from time to time.

**18.4 Informal Complaint.** An Employee who believes that there has been a violation, misinterpretation, or misapplication of this Agreement shall first discuss such complaint with the principal or responsible administrator with the objective of attempting to resolve the matter informally. This discussion must occur within seven (7) days of the act upon which the Grievance is based. If the complaint is not successfully resolved within seven (7) working days after such discussion, the Employee may file a grievance.

**18.5 Level One - Formal Complaint.** If the Informal Complaint has not been resolved informally, a Grievance may be filed with the principal or responsible administrator. The grievance shall contain a concise written statement of the provisions of this Agreement which were allegedly violated, misinterpreted or misapplied, and the relief requested.

A Grievance must be filed within five (5) days from the date of the informal discussion meeting or ten (10) days from the date the Grievant knew or should have known of the occurrence of the event giving rise to the Grievance, whichever is later.

The principal or responsible administrator shall within ten (10) days of receiving the Grievance shall meet with the Grievant to discuss the Grievance. The principal or responsible administrator shall then have five (5) working days after the meeting in which to communicate a written decision to the Grievant. A copy of such response shall be provided to the Grievant and the Association.

**18.6 Level Two: Appeal to Superintendent.** In the event the Grievant is not satisfied with the disposition of the Grievance at Level One, or if no decision has been rendered within five (5) days after the formal Level One meeting, then the Grievant may file an appeal in writing with the Superintendent within ten (10) working days of the receipt of the administrator's written response at Level One or within fifteen (15) days after the formal Level One meeting, if no written decision is provided. Within (10) days after receiving the written appeal, the Superintendent shall meet with the Grievant and, at the Superintendent's discretion, the principal, immediate supervisor, or other party or parties involved in the matter on behalf of administration. Within (5) days of the meeting, the Superintendent shall communicate a written decision to the Grievant. A copy of such response shall be provided to the Grievant and the Association.

**18.7 Level Three: Mediation.** If the Grievant is not satisfied with the disposition of such Grievance at Level Two, or if no decision has been rendered within ten (10) days after the Level Two meeting, the Grievance may proceed to Level Three within fifteen (15) days of the Level Two decision or Level Two meeting date if there is no written decision on that level. To proceed with Level Three, the mediation request must be in writing, signed by the Grievant and the Association, and received by the Superintendent within the time provided.

**18.7.1** Within five (5) days of the Association's receipt of such notice to participate in mediation, the parties shall then request a mediator from the FMCS or mutually acceptable mediator.

**18.7.2** Within sixty (60) days of agreeing upon the mediator, the Parties shall conduct the mediation. This date may be mutually extended. Meetings between the parties may be held separately or together at the request of the mediator.

**18.7.3** If the Parties reach an agreement through mediation, such agreement shall be reduced to writing. The mediation agreement shall be binding upon the Parties.

**18.8 Level Four: Arbitration.** If the Grievant is not satisfied with the disposition of the Grievance at Level Two, or if no decision has been rendered within ten (10) days after the Level Two meeting, the Association may, within fifteen (15) days after a decision by the Superintendent, or twenty-five (25) days after the Level Two meeting, whichever is sooner, or if no agreement is reached using Level Three mediation, request arbitration if the Grievance involves the interpretation, meaning, or application of any of the provisions of this Agreement. Arbitration requests must be in writing, signed by the Grievant and the Association, and received by the Superintendent within the time provided. If any question arises as to arbitrability, the arbitrator selected to hear the dispute shall first rule upon such question prior to proceeding with scheduling the arbitration hearing.

**18.8.1** Within five (5) school days of the Superintendent's receipt of such notice, the Superintendent and/or designee, and the President of the Association and/or designee, will simultaneously exchange lists of at least four (4) arbitrators. Within five (5) school days thereafter, a meeting of these individuals shall be held in an attempt to agree upon an arbitrator.

**18.8.2** If the Parties are unable to agree upon an arbitrator at such meeting, the arbitrator shall be selected in the same manner as set forth in Article 8.8.2.2.1.

**18.8.3** The arbitrator will have authority to hold hearings and make procedural rules. The arbitrator will issue a report within a reasonable time after the date

of the close of the hearing, or, if oral hearings have been waived, then from the date the final statements and evidence are submitted to the arbitrator.

**18.8.4** All hearings held by the arbitrator shall be in closed sessions and no news releases shall be made concerning progress of the hearings.

**18.8.5** The arbitrator's report shall be submitted in writing to the District and the Association only, and shall set forth the arbitrator's findings of fact, reasoning, conclusions, and recommendations on the issues submitted. The arbitrator's recommendations shall be consistent with law and with the terms of this Agreement. The arbitrator's report shall be advisory only, and binding neither on the District nor on the Association.

**18.8.6** Within five (5) school days after receiving the report of the arbitrator, representatives of the parties will meet to discuss the report, and, if necessary, implementation of the report. No public releases may be made until after such meeting.

**18.8.7** The Board shall take official action on the report of the arbitrator at the next regularly scheduled meeting of the Board or within twenty (20) subsequent to the meeting between the representatives of the Parties, whichever is later.

## **18.9 General Provisions Applicable to All Levels of a Grievance.**

**18.9.1 Right to Be Present; Right to Representation.** A Grievant shall have the right to be present at all meetings related to the Grievance and, at the option of the Grievant(s), may be represented at such meetings by a representative of the Association.

**18.9.2 No Retaliation.** Neither the Board nor the Association nor any member of the administrative staff of the District shall retaliate against an Employee because the Employee has participated in the grievance process, whether as a grievant or a witness.

**18.9.3 Failure To Comply With Time Deadlines.** Failure to file a Grievance within the required time, or failure to appeal the Grievance to the next level within the required time, shall constitute a forfeiture of the Grievance and deemed to be an acceptance of the decision made or rendered. The failure of the responsible administrator to render a decision on a grievance within the required time shall constitute a denial of the Grievance and permit appeal of the Grievance to the next level within the prescribed time limits. Timelines may be changed only through prior mutual written agreement of the parties.

**18.9.4 Sole Forum.** The Grievance procedures set forth in this Article shall be the exclusive forum for obtaining redress or relief for an alleged violation, misinterpretation, or misapplication of the terms of this Agreement.

**18.9.5 Grievance Information.** At a minimum, a Grievance filing must contain the following information:

- The date on which the matter complained of occurred;
- The sections or provisions of the Agreement allegedly misapplied or misinterpreted;
- The disposition sought by the aggrieved employee;
- The signature of the employee or employees who claim to be aggrieved by the matter being complained of and to whom any remedy shall apply; and,
- The date the Grievance is submitted.

**18.9.6 Cost Sharing.** The Parties shall share equally the entire cost of the mediator and arbitrator, and any other costs or expenses arising from or relating to the mediation and/or arbitration process(es). This provision is not intended to require either Party to pay the other Party's attorneys' fees, costs, consultant fees, or expenses if not otherwise provided in this Agreement.

**18.9.7 Days.** The days in this Article 18 shall be calendar days.

## **ARTICLE XIX – ASSIGNMENTS AND TRANSFERS**

**19.1 Procedures.** The assignment and transfer procedures as set forth in Board Policy GDJ shall be followed for assignments and transfers. If the District will be amending Board Policy GDJ, the District will provide reasonable notice to the Association of such proposed amendments. If the Association has questions or concerns about the potential changes, such questions or concerns shall be brought first to the Superintendent. If after discussions with the Superintendent the Association still has questions and concerns about the potential amendments, the Association may speak to the Board through public comment at a Board meeting

**19.2 Transfer Requests.** Employees who desire a transfer in assignment shall follow the procedures as set forth in Board Policy GCKA.

## **ARTICLE XX – WORKING DAYS, TIME, WAGE, AND SCHEDULE**

**20.1 Individual Employee Contracts.** Each individual Employee's contract/notice of assignment shall specify the number of contract days for the school year that such individual Employee shall be contracted to work.

**20.2 Lunch and Breaks.** Each Employee shall take a thirty (30) minute duty free lunch and 10-minute rest period that comply with state and federal laws.

**20.3 Individual Work Schedules.** Each Employee shall be provided a schedule of their designated assigned working days from their respective supervisors.

**20.4 Base Placement Wages.** For information purposes only, as determined by the District in its discretion, the base placement wages for the 2022-2023 school years are as follows:

- Paraprofessionals - \$17/hr base
- Instructional Paraprofessionals - base of \$19/hr base
- Preschool Assistant Teacher & Support Staff - \$17/hr base
- Preschool Lead Teacher & Home Visitor- \$19/hr base

## **ARTICLE XXI – ENTIRE AGREEMENT**

**21.1 Entire Agreement.** The District shall not be bound by any requirement which is not specifically stated in this Agreement. Specifically, but not exclusively, in regard to interpretation or construction of this Agreement, the District is not bound by any past practices, or understandings with any labor organization, unless such past practices or understandings are specifically stated in this Agreement.

**21.2 Waiver of Bargaining.** The Association and the District agree that this Agreement is intended to cover all matters within the scope of bargaining, and that during the term of this Agreement, neither the District nor the Association will be required to negotiate on any further matters affecting these or any other subjects not specifically set forth in this Agreement.

**21.3 Savings Clause.** Should any provisions of this Agreement be found to be inoperative, void, or invalid by any court or tribunal of competent jurisdiction, all other provisions of this Agreement shall remain in full force and effect for the duration of this Agreement.

**21.4 Modification of Agreement.** No change, rescission, alteration or modification of this Agreement in whole or in part shall be valid unless the same is in writing and is ratified by both the Board and the Association.

**21.5 Waiver.** Failure of either party to enforce, or insist upon, the performance of any term, condition or provision of this Agreement, in any one (1) or more instances, shall not be deemed a waiver of such term, condition or provision. No term, condition or provision of this Agreement shall be deemed waived by either party unless such waiver is reduced to writing and signed by the Association's officers and the Board. If such written waiver is given, it shall apply only to the specific case for which the waiver is given and shall not be construed as a general or absolute waiver of the term, condition or provision, which is the subject matter of the waiver.

Signature Page to Follow  
(include dates of execution of each party)

**COLLECTIVE BARGAINING AGREEMENT  
SIGNATURE PAGE**

This Agreement made this \_\_\_\_ day of \_\_\_\_\_, 2024.

**LAKE COUNTY EDUCATION  
ASSOCIATION**

**LAKE COUNTY SCHOOL DISTRICT**

\_\_\_\_\_  
President, LCEA

\_\_\_\_\_  
President, Board of Education

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Attest

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Jim Mulcey  
MEMO PREPARED BY: Jim Mulcey  
INVITED GUESTS: None  
TIME ALLOTTED ON AGENDA: 15 minutes  
ATTACHMENTS: LCSD-SCCC LCHS Renovation MOU  
  
RE: *SCCC MOU*

### TOPIC SUMMARY

**Background:** The Summit Community Care Clinic operates the School Based Health Clinic in the Lake County High School. They have secured a grant to renovate the spaces we provide them in LCHS.

**Topic for Presentation:** The MOU outlines the roles and responsibilities of both organizations in the design and conduct of the renovation. SCCC will now engage with designers for specific plans. LCSD will approve those plans prior to any construction taking place.

**MEMORANDUM OF UNDERSTANDING:  
LCHS SBHC RENOVATION PROJECT MANAGEMENT**

This Memorandum Of Understanding (“MOU”) is made and entered into effective Dec. 9, 2024 (the “Effective Date”), by and between Summit Community Care Clinic, Inc., a Colorado nonprofit corporation (“SCCC”), and Lake County School District No. R-1, a Colorado public school district (“LCSD”). SCCC and LCSD are sometimes individually referred to in this MOU as a “Party” and, collectively, as the “Parties.”

**RECITALS**

**A.** LCSD is a local education provider (as defined in C.R.S. § 25-20.5-502) with administrative offices at 328 W. 5<sup>th</sup> Street, Leadville, Colorado.

**B.** SCCC is a Federally Qualified Health Center (“FQHC”) pursuant to Section 330 of the Public Health Service Act.

**C.** SCCC, through its employed and contracted health care professionals, provides primary medical and behavioral health care to students enrolled in Lake County High School (“LCHS”) located at 1000 W 4<sup>th</sup> Street, Leadville, Colorado 80461, from the school-based health center (the “SBHC”) located on the premises of LCHS.

**C.** The SBHC is funded, in part, by the Colorado Department of Public Health and Environment (“CDPHE”), pursuant to the school-based health center grant program (“SBHC Program”) established under C.R.S. §§ 25-20.5-501 to -503, and is operated in compliance with all requirements thereof.

**D.** The Colorado Health Foundation (“CHF”) has awarded SCCC a grant of funds (the “Grant”) to renovate the physical facilities of the SBHC (the “Project”).

**E.** In this MOU, the Parties wish to define the scope of their respective rights and obligations with respect to the management and completion of the Project.

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual covenants set forth below, the Parties agree as follows:

**I. SUMMIT’S DUTIES**

**A. Project Management.** SCCC will manage and oversee the construction and other work required to complete the Project (the “Work”) in accordance with the terms and conditions of the Grant, the SBHC Program, and this MOU. In doing so, SCCC will implement best practices followed by construction industry professionals providing management services for facility renovation projects similar to the Project.

**B. Specifications and Budget.** SCCC, directly or through the SCCC Contractors (as hereinafter defined), will complete the Work in accordance with plans, specifications, and drawings approved in writing in advance by LCSD (“Specifications”), and within a budget mutually agreed to by the Parties (the “Project Budget”). Material changes to the Specifications and Project Budget must be approved by LCSD in advance.

- C. **Progress Reports.** In connection with the Work, SCCC shall provide monthly progress reports to the Chief Financial Officer of LCSD (“*Progress Reports*”). Progress Reports shall provide, at a minimum, current photos of the Project, a current line-item budget, a current Project Budget, and an updated Project schedule.
- D. **Completion.** Unless extended by change order approved by LCSD in accordance with the applicable Project Contract (as hereinafter defined), SCCC, directly or through the SCCC Contractors (as hereinafter defined), will complete the Work on or before the Completion Date (as defined below) to occur by TBD (the “*Scheduled Completion Date*”).
- i. The “*Completion Date*” is the date on which SCCC delivers to LCSD a certificate (the “*Completion Certificate*”) stating that, to the best of SCCC’s knowledge, based on the representations of SCCC’s Contractors (as defined below): (A) the Project has been completed in accordance with the terms and conditions of the Grant, the SBHC Program, and this MOU, and (B) except for any amounts not then due and payable, all costs of the Project have been paid.
  - ii. On the Completion Date, SCCC shall also deliver the following to LCSD:
    - a. Copies of all Project Documents (as defined below).
    - b. Agreement(s) assigning to LCSD all Contractor guarantees of workmanship and materials entered into pursuant to Section I(E)(i) of this MOU, duly executed by the Parties thereto.
- E. **Contractors and Project Contracts.** SCCC will negotiate with and engage such architects, design professionals, engineers, contractors, subcontractors, suppliers or other consultants as may be required in connection with the Work (collectively, “*Contractors*”), on terms and conditions mutually acceptable to the Parties. All contracts with Contractors (collectively, “*Project Contracts*”) shall include, at a minimum, the following terms and conditions:
- i. **Guarantees.** Each Contractor shall be required to guarantee all Work performed by it or any subcontractor or other person performing Work on its behalf against defective workmanship and materials for a period of one year following either (i) the Completion Date, or (ii) the date on which such Work is actually completed, whichever is later. SCCC will assign all such guarantees to LCSD on the Completion Date.
  - ii. **Bonds.** Each Contractor shall provide a performance bond and a separate labor and material payment bond, each of which shall (i) be executed by a corporate surety licensed to do business in the State of Colorado, (ii) be in customary form, (iii) be in the amount payable to such Contractor pursuant to its Project Contract, and (iv) be payable to SCCC. SCCC hereby assigns its rights to any proceeds under such bonds to LCSD.
    - a. If, at any time prior to completion of the Work covered by any such bond, the surety is disqualified from doing business within the State of Colorado, a new bond shall be provided from an alternate surety licensed to do business in the State of Colorado.

- b. The amount of each bond shall be increased or decreased, as appropriate, to reflect changes to the Specifications and the Project Budget under Section I(B) of this MOU.
  - c. A copy of each such bond and all modifications thereto shall be provided to LCSD within thirty (30) days of the effective date of the related Project Contract.
- iii. Liability and Property Damage Insurance. Each Contractor shall procure and maintain, at its own expense and for the duration of its Project Contract, comprehensive general public liability and property damage, that covers all claims for bodily injury, including death, and claims for destruction of or damage to the property (other than the Work itself), arising out of or in connection with any operations under the Contractor's Project Contract, whether such operations be by the Contractor or by a subcontractor.
  - a. Such insurance policies shall: (i) include the limits and coverage specified for LCSD by its insurance carrier (\$2M per occurrence/\$5M annual aggregate); (ii) contain waivers of subrogation in favor of LCSD; (iii) name LCSD as an additional insured; and (iv) include a provision prohibiting cancellation, termination or alteration except pursuant to the policy; (v) coverage must extend to Sexual Abuse & Molestation without any exclusions or limitations for the full policy limits; (vi) Auto Liability Coverage with \$2M limits covering any auto (owned, non-owned and hired); (vii) Pollution Liability Coverage with a minimum of \$2M limits per occurrence/\$5M annual aggregate. If on a claims-made policy, coverage should continue for three years following the end of the policy. Certificates of insurance shall continue to be sent to the District during this time; (viii) Products completed and completed operations insurance.
  - b. A certificate of insurance and additional insured endorsement evidencing such insurance shall be provided to LCSD with respect to each Contractor within thirty (30) days of the effective date of the related Project Contract, and then provided annually thereafter while the project is ongoing.
- iv. Worker's Compensation Insurance. Each Contractor shall procure and maintain, at its own expense and for the duration of its Project Contract, workers' compensation insurance as required by Colorado law, covering all persons working under the Contractor's Project Contract.
  - a. Such insurance policies shall contain a provision requiring thirty (30) days prior written notice to SCCC and LCSD prior to any cancellation, termination, or alteration of coverage.
- v. Assignment. SCCC hereby assigns to LCSD, and each Project Contractor shall expressly provide that LCSD shall have, the right to enforce each Project Contract against the applicable Contractor: (i) following termination of this MOU, or (ii) during the Term of this MOU, if, in the reasonable judgment of

LCSD, SCCC has failed to enforce the terms of a Project Contract in a manner consistent with its obligations under Section I(F) of this MOU.

vi. LCSD Prohibitions and Obligations. Each Project Contractor shall comply with the following LCSD Prohibitions and Obligations:

- a. Firearms, explosives, fireworks, shall not be allowed on LCSD property: Pursuant to the Gun-Free School Zones Act, (18 U.S.C. §§ 921(a) (25, 26), 922(q) (1), it is unlawful for anyone to knowingly possess firearms in school zones.
- b. Harassment Policy: LCSD prohibits verbal and/or sexual harassment of students, faculty, personnel and general public on its property. LCSD reserves the right to ban offenders of this policy from all LCSD premises.
- c. Sex Offenders: Pursuant to C.R.S. § 16-22-110, Public's Right to Know of Registered Sex Offenders, LCSD reserves the right to investigate the status of any Contractor and/or Subcontractor personnel with respect to Colorado Sex Offender Registry.
- d. Contractor shall complete a criminal background check on all employees and subcontractor and subcontractor's employees who work under a Project Contract and who will have regular but not incidental contact with, or who will work in immediate proximity to, students on LCSD premises. Project Contractor shall maintain records of such background checks during the term of the Project Contract. Those employees who have been convicted of, pled no contest to, or received a deferred sentence or deferred prosecution for any unlawful sexual behavior or crime of violence involving a child will not be allowed to work on any LCSD school property, with or in immediate proximity to LCSD staff or students, or have access to LCSD information. Project Contractor shall provide proof of background checks upon request by the LCSD. Project Contractor will be responsible for following all federal, state, and local privacy and confidentiality requirements in performing background checks.
- e. Project Contractor is obligated to notify all workers, vendors and employees associated with their work on the Project of the above policies and prohibitions.

F. **Enforcement of Project Contracts.** In the event of any default under or breach of any Project Contract, which default or breach results in frustration of the purpose for which the property improved by the Project was intended, SCCC shall promptly proceed, either separately or in conjunction with LCSD, to pursue diligently its remedies, including any remedy against the surety of any bond securing the performance of the Project Contract.

G. **Maintenance of Project Documents.** Throughout the Term of this MOU, SCCC shall maintain copies of all: (i) Project Contracts (including all related subcontracts, requisition forms, purchase orders, and procurement documents); (ii) Specifications; (iii) verified documentation of all expenses and payments incurred and made in connection with the Work; (iv) warranties; (v) operations and maintenance manuals; (vi) a list of the

principal's name, addresses and telephone numbers of all Contractors and suppliers that furnished labor and/or materials on the Project, with identification of the services and materials rendered by each; and (vii) other documents and records related to the Work, the Project, and/or the Grant (collectively, the "*Project Documents*").

- i. On the Completion Date, SCCC shall deliver copies of all Project Documents to LCSD, in accordance with Section I(D)(ii)(a) of this MOU.

## II. LCSD DUTIES

- A. **Information and Cooperation.** LCSD shall provide SCCC with such information about the Project and the property in its possession as may be necessary to enable SCCC to perform its duties under this MOU. LCSD will cooperate with SCCC in granting or withholding approvals required under this MOU or any Project Contract in a reasonably timely manner.
- B. **Access. LCSD hereby grants to SCCC and the Project Contractors the right to enter upon and use the SBHC to construct the Project.**

## III. INSURANCE AND LIABILITY

- A. **Insurance.**
  - i. **Builder's Risk Insurance.** Until the Completion Date, SCCC shall procure and maintain, at its own expense, standard, all risk of loss, builder's risk completed value insurance upon property included in or that is impacted by the Project. SCCC will provide a certificate of insurance to LCSD to prove this coverage is in place.
  - ii. **Professional Liability Insurance.** Notwithstanding any provision herein, pursuant to the Federal Torts Claims Act, SCCC is deemed to hold professional liability coverage for itself and its professional employees in the minimum amounts required by the laws of the State of Colorado.
- B. **Indemnity.** SCCC shall indemnify, defend, and hold LCSD and its directors, employees, and agents ("LCSD Parties") harmless from any and all claims, suits, actions, judgments, obligations, liens, damages, liabilities, and costs (including without limitation attorney's and expert witness fees and costs) incurred or suffered by the LCSD Parties and arising out of the Work or the use of the LCSD property by SCCC and its employees, agents, or contractors pursuant to this MOU, including any breach of SCCC's obligations hereunder; provided, however, that SCCC shall not indemnify the LCSD Parties for any matter caused by the gross negligence or willful misconduct of LCSD or any LCSD parties. This provision shall survive termination of this MOU.
- C. **Cooperation in the Event of a Claim or Investigation.** In the event that either Party becomes aware of any action, claim, or investigation, whether initiated by the federal or state government, any political subdivision of either, or any other person, arising out of or relating to services provided hereunder, such Party has a duty to give the other Party notice of such action, claim, or investigation. In addition, each of the Parties hereto shall reasonably cooperate with each other in pursuing or defending claims or investigations and enforcing any right of contribution or indemnity against any person or organization

that may be liable to either of the Parties related to the services hereunder; and, where applicable, both Parties hereto shall attend the hearings and trials and assist in securing evidence and obtaining the attendance of witnesses. This provision shall survive termination of this MOU.

- D. **No Liens.** SCCC agrees not to permit any liens to be filed against LCSD property in connection with the Project, and to indemnify, defend and hold LCSD harmless from any such liens and to remove (by bond around in accordance with applicable law or otherwise) any such lien upon written notice from LCSD of the filing of any such lien in the real property records of Lake County, Colorado.

#### IV. **COMPENSATION**

- A. **No Compensation; No Referrals.** No Party shall receive any compensation or other remuneration from the other Party for performing their respective duties and obligations under this MOU. The Parties further agree that nothing contained in this MOU shall require, induce, or reward either Party to refer any patients to the other, or to any of their respective affiliates or subsidiaries.

#### V. **STATUS AND AUTHORITY.**

- A. **Independent Contractor Status.** LCSD and SCCC are independent contractors. Neither LCSD nor SCCC, nor any of their respective officers, directors, employees, or independent contractors shall be construed to be the partner, employee, agent, joint venture, or representative of the other. For the avoidance of doubt, in no event shall the personnel engaged by SCCC to carry out its responsibilities under this MOU be deemed to be employees or agents of LCSD.
- B. **Authority.** SCCC and LCSD represent and warrant that each has, and throughout the term of this MOU shall have, full legal power and authority to enter into this MOU and to perform all of the duties and responsibilities hereunder.

#### VI. **TERM AND TERMINATION**

- A. **Term.** The term of this MOU shall commence on the Effective Date and shall continue until the Completion Date (the "Term"), unless earlier terminated as provided below.
- B. **Termination.** This MOU may be terminated by LCSD upon not less than thirty (30) days' written notice should SCCC fail to perform in accordance with the terms of this MOU through no fault of LCSD. SCCC shall not terminate this MOU without the written consent of LCSD. In the event of a termination in accordance with this Section VI.B prior to the Completion Date, LCSD shall have the right, in its sole discretion, to complete the Project on behalf of SCCC; provided, however, that if LCSD elects not to complete the Project, SCCC shall restore the Project site, including, but not limited to, landscaping, sod, or other improvements, to a level comparable with the original condition, with the understanding that re-vegetation shall occur at the appropriate time of

year regardless of the Term or termination. This provision shall survive termination of this MOU.

- C. **Survival / Effect of Termination.** Upon termination or expiration of this MOU, neither Party shall have any further obligation hereunder except for (i) obligations accruing prior to the date of termination of this MOU, and (ii) agreements otherwise contained herein that are expressly or by operation of law made to extend beyond the term of this MOU.
- D. **Change of Laws.** It is the intent and good faith belief of the Parties that this MOU complies with all applicable state and federal laws, rules, regulations, and accreditation standards, including, but not limited to, the SBHC Program, CDPHE regulations, the standards of any applicable accrediting bodies (collectively, the “Laws”) and the terms of conditions of the Grant. If any legislation, regulation or government policy is passed or adopted, or if the Grant is amended, the effect of which would cause either Party to be in violation of the Laws or the Grant, or which would otherwise threaten SCCC’s status as an entity exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code (a “Change”) due to the existence of any provision of this MOU, then the Parties agree to negotiate in good faith for a period of 30 days to modify the terms of this MOU to comply with the Change. If the Parties fail to agree upon modified terms to this MOU within this time, then either Party may immediately terminate this MOU.

## VII. COMPLIANCE

- A. **Program Requirement Compliance.** LCSD recognizes that SCCC, as an FQHC, is organized and partially funded by the federal government, specifically the Health Resources Services Administration division of the Department of Health and Human Services (hereinafter “HRSA” and “DHHS”). Therefore, in the performance of its obligations under this MOU, LCSD agrees, to the extent necessary and at no additional cost to LCSD, to use commercially reasonable efforts to assist SCCC with its compliance with the applicable provisions of Section 330 of the Public Health Services Act (42 U.S.C. § 254b), all applicable regulations thereunder (43 C.F.R. §§ 51c.101 *et seq.*), Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), all applicable requirements imposed by applicable DHHS and HRSA regulations (including, but not limited to 45 C.F.R. Parts 74 and 84), and all guidelines and interpretations issued pursuant thereto and other applicable requirements. LCSD agrees to cooperate with any documentation, review, or other procedure that may be reasonably required from time-to-time for SCCC to ensure its regulatory compliance. LCSD shall not require SCCC to perform any activities that are outside its scope of services determined by its HRSA grant pursuant to Section 330 of the Public Health Services Act and consistent with its status as an FQHC.
- B. **Warranty of Non-Exclusion from Federal Healthcare Programs.** The Parties represent and warrant to each other that the Parties and their respective professionals are not (i) currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. §1320a-7b(t) (the “Federal Health Care Programs”), (ii) convicted of a criminal offense related to the provision of health care items or services, but not yet excluded, debarred or otherwise declared ineligible to participate in the Federal Health Care Programs, or (iii) under investigation or otherwise aware of any circumstances which may result in the Party or its professionals being excluded from participation in the federal health care programs. This shall be an ongoing representation and warranty during the term of this MOU and a Party shall immediately



notify the other Party of any change in the status of the representation and warranty set forth in this Section. Any breach of this Section shall give non-breaching Party the right to terminate the MOU immediately.

#### VIII. MISCELLANEOUS PROVISIONS

- A. **Proprietary Confidential Information.** The Parties agree that all non-public proprietary information that is made available to either Party pursuant to this MOU will be kept confidential and neither Party will disclose such information to third parties without the express written approval of the other Party.
- B. **Governing Law.** This MOU shall be construed and governed by the laws of the State of Colorado, notwithstanding conflicts of law provisions.
- C. **Further Assurances.** Each Party shall take all further actions as may be reasonably required to give effect to this MOU.
- D. **Severability.** Each provision of this MOU shall be considered severable. If any provision is determined to be invalid or contrary to existing or future law, the portions of this MOU that are valid shall remain in full force and effect.
- E. **Waiver.** Any waiver of any terms and conditions of this MOU must be in writing and signed by the Parties.
- F. **No Third-Party Benefit.** This MOU shall not create any rights in any third parties who have not entered into this MOU, nor shall this MOU entitle any such third party to enforce any rights or obligations hereunder.
- G. **Amendment.** This MOU may be amended only by an instrument in writing signed by both Parties.
- H. **Assignment.** Assignment of this MOU or any of the rights and obligations hereunder is invalid without the specific written consent of both Parties.
- I. **Notices.** Unless otherwise provided for herein, any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given at the earlier of the date when actually delivered to a Party, or when sent by facsimile (if confirmed), electronic mail, or nationally recognized reliable overnight carrier at the addresses listed below. Either Party may designate a new address by written notice to the other Party.

Lake County School District No. R-1  
Attn: Chief Financial Officer  
328 West 5<sup>th</sup> Street  
Leadville, CO 80461

SCCC Community Care Clinic, Inc.  
Attn: CEO  
360 Peak One Drive #100  
PO Box 4337  
Frisco, CO 80443

With a copy to:

Foley & Lardner, LLP  
Attn: Jim Miles, Partner  
1400 16<sup>th</sup> Street, Suite 200

- J. **Master List.** Each Party will maintain a list of all agreements between each other as required by regulation. The list and this MOU will be made available to the Secretary of DHHS upon request.
- K. **Interpretation.** The Parties hereto acknowledge that (i) each Party has reviewed the terms and provisions of this MOU, and (ii) the terms and provisions of this MOU shall be construed fairly to all Parties and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this MOU.
- L. **Entire Agreement.** Unless otherwise specified herein, this MOU, including all Exhibits attached hereto, constitutes the entire agreement of the Parties with respect to the matters covered herein. This MOU supersedes all prior and contemporaneous agreements and oral understandings between the Parties with respect to such matters.
- M. **Counterparts and Electronic Signature.** This MOU may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each party agrees to be bound by its digital or electronic signature (“e-signature”) which evidences an intent to be bound, whether transmitted by fax machine, in the form of an electronically scanned image (*e.g.*, in PDF format), by email, or by other means of e-signature technology, and each party agrees that it shall accept the signature of the other party transmitted in such a manner.
- N. **Immunities.** Notwithstanding anything herein to the contrary, no term or condition of this MOU shall be deemed a waiver, express or implied, of any provision of the “Colorado Governmental Immunity Act,” 24-10-101, et seq., C.R.S., as now or hereafter amended.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, LCSD and SCCC have executed this MOU, to be effective as of the Effective Date set forth above.

**LCSD:**

Lake County School District

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCCC:**

Summit Community Care Clinic, Inc.:

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Jim Mulcey  
MEMO PREPARED BY: Jim Mulcey  
INVITED GUESTS: None  
TIME ALLOTTED ON AGENDA: 15 minutes  
ATTACHMENTS: LCSD-ALC Lease

RE: *Advocates Lease*

### TOPIC SUMMARY

**Background:** The Advocates of Lake County approached LCSD about using our old district office as an emergency refuge.

**Topic for Presentation:** The results of our negotiations are contained in the lease agreement. We have coordinated with legal and liability advisors. LCSD will charge ALC \$500 per month for rent, inclusive of utilities. ALC will present this to the Leadville City Council in January 2025.

## LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is entered into as of this 9th day of December 2024 between Lake County School District R-1, a public school district and political subdivision of the State of Colorado ("District") and the Advocates of Lake County, a Colorado nonprofit corporation ("ALC")

### RECITALS

WHEREAS, District is the owner of certain real property and improvements situated in Lake County, Colorado and located at 105 Spruce Street Leadville, Colorado 80461, on which is located the District's former administrative office (the "Property"); and

WHEREAS, ALC's Bridge Program serves individuals and families experiencing or at risk of homelessness in Leadville and Lake County; and

WHEREAS, ALC desires to lease space within the Property for an Emergency Shelter operation; and,

WHEREAS, the District desires to lease space within the Property subject to the terms and conditions set forth in this Agreement.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, District and ALC agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are hereby incorporated into and made part of this Agreement.
2. Definitions. The following capitalized terms used in this Agreement have the following meanings:
  - a. "Building" means the District's former administrative office building on Spruce Street, adjacent to LCSD maintenance.
  - b. "Building Rules and Regulations" means the rules and regulations for the Building set forth in "Exhibit B", attached hereto and incorporated herein by this reference, as amended from time to time. The term "Tenant" as used in the Building Rules and Regulations shall refer to ALC. If there is a conflict between the Building Rules and Regulations and this Agreement, this Agreement shall control.

- c. "Common Areas" means the entrances, exists, driveways, curbs, walkways, hallways, parking areas, landscaped areas, restrooms, and like areas or facilities which are located on the Property and in the Building, and which are designated by the District from time to time as areas or facilities available for the nonexclusive use in common by ALC, its officers, employees, agents, and invitees.
  - d. "Premises" means the areas depicted on "Exhibit A" attached hereto and incorporated herein by this reference, consisting of approximately 11,000 square feet.
  - e. "Property" means the real property located at 105 Spruce Street, Leadville, Colorado 80461.
3. Lease. District hereby leases to ALC, and ALC hereby leases from District, the Premises for the term of this Agreement.
  4. Term. Subject to earlier termination as provided herein, the initial term of this Agreement shall commence on 12:01 a.m. on January 1, 2025 (the "Term"), and terminate at 11:59pm on June 30, 2025 Thereafter, annual leases will automatically renew for one year terms if not terminated by a party to this agreement. Annual leases will run from 12:01 am on July 1st through 11:59pm on the following June 30th.
  5. Rent. In consideration for the Lease of the Premises and other rights under this Agreement, ALC shall pay to District rent in the amount of \$500 per month ("Rent"), which shall be payable in advance, without offset, deduction, or abatement, on the first day of each month during the Term. ALC's obligation to pay Rent shall be prorated at the commencement of the Term. Rent shall be paid to District at the address set forth for District in Section 31 of this Agreement, or at such other place as District may designate from time to time.
  6. Quiet Enjoyment. District covenants and agrees that, provided ALC is not in default of and keeps, observes, and performs ALC's covenants and agreements contained in this Agreement, ALC shall have quiet and peaceable possession of the Premises, and such possession and right use shall not be unreasonably disturbed or interfered with by District.
  7. Use. ALC shall use the Premises for the purpose of operating an Emergency Shelter for homeless individuals and families, and associated case management activities (including, but not limited to, collaborative meetings between shelter residents and community partners) and for no other purpose, except with prior written consent of the District. ALC shall comply with (i) applicable federal, state, and local law, (ii) District building and use policies as adopted by its Board of Education or Superintendent of Schools and amended from time to time, and (iii) all internal ALC policies and procedures, including the Bridge Haven Operational Plan.
  8. Right to Use Common Areas. District grants ALC and its employees, agents, and invitees, the non-exclusive right, together with all other occupants of the Building and their employees, agents, and invitees, to use the Common Area during the Term, subject to applicable laws, Building Rules and Regulations and ALC policies and procedures. ALC may install up to two (2) refrigerators in the lounge/breakroom that shall be for the exclusive use of ALC and its employees, agents, and invitees.
  9. Acceptance of Present Condition. ALC has inspected the Premises and accepts the same in the present condition. Taking possession of the Premises by ALC shall be conclusive evidence as against ALC that the Premises were in good and satisfactory condition when possession was delivered to ALC.
  10. Hazardous Materials. For purposes herein "Hazardous Materials" shall mean any

hazardous or toxic substance, material, waste of any kind, petroleum product or by-product, contaminant or pollutant as defined or regulated by Environmental Laws. "Environmental Laws" shall mean any applicable federal, state or local laws, statutes, ordinances, rules, regulations or other governmental restrictions. "Disposal" shall mean the release, storage, use, handling, discharge or disposal of such Hazardous Materials.

- a. ALC shall not use, maintain, store or dispose of any Hazardous Materials, chemicals or other agents used or produced in ALC's operations, at the Premises, in any manner not permitted by Environmental Laws. Furthermore, ALC shall not cause or permit the disposal of Hazardous Materials upon the Premises, Property, or adjacent lands and shall operate and occupy the Premises in compliance with all Environmental Laws.
  - b. Any disposal of Hazardous Materials, whether by ALC or its directors, employees, agents, contractors, or invitees shall be reported to the District immediately upon the knowledge of ALC. ALC shall be solely responsible for the entire cost of remediation and clean-up of any Hazardous Materials disposed of or discovered upon the Premises, or emanating from the Premises, or onto adjacent lands, as a result of ALC's, or ALC's directors', employees', agents', contractors', or invitees' exercise of the rights granted by this Agreement.
  - c. ALC hereby agrees to indemnify, defend and hold harmless the District from and against any and all claims, suits, judgments, loss, damage, fines or liability which may be incurred by the District, including reasonable attorney's fees and costs at trial and on appeal, which may arise directly, indirectly or proximately as a result of any violation of Environmental Laws or the disposal of any Hazardous Materials by ALC, or ALC's directors, employees, agents, contractors, or invitees. ALC's responsibility hereunder shall continue and apply to any violation hereof, whether the same is discovered during the term hereof or otherwise. While this provision establishes contractual liability of ALC, it shall not be deemed to alter or diminish any statutory or common law liability of ALC. Notwithstanding the foregoing, District remains responsible for compliance with applicable laws and regulations with respect to any Hazardous Materials at the Premises in their undisturbed condition that existed prior to ALC's occupancy. The District, however, shall not have any obligation to remediate or remove any Hazardous Materials made necessary by repairs, maintenance, or alterations or improvements required or desired to be made by ALC.
  - d. ALC acknowledges that the District enters into the Agreement with the explicit understanding of the indemnification contained herein, acknowledging the receipt and sufficiency of separate good and valuable consideration for such indemnification. This provision shall survive the expiration or termination of this Agreement.
11. Utilities. District shall not be liable for any personal injury or any property damage resulting from the negligent operation or faulty installation of utility services provided for use on the Premises, nor shall District be liable for any injury or damage suffered by ALC as a result of the failure to make necessary repairs to the utility facilities. ALC shall be liable for any injury or damages, including freezing, stoppage, or blockage, to the equipment or service lines of the utility suppliers that are located on the Premises or the Property resulting from the negligent or willful acts of ALC, or its officers, employees,

agents, or invitees.

12. Taxes. The Property is currently tax exempt. To the extent ALC's permitted use may not be tax exempt, ALC agrees to pay Lake County (or any other applicable taxing authority) its share of taxes imposed and applicable to such use.

13. Alterations or Improvements.

- a. ALC, at ALC's sole cost and expense, shall install (i) a door access control system for the Building that is acceptable to the District in District's sole discretion, (ii) other improvements based on the design plan formulated by Shape Architecture (the "ALC Improvements"). Such improvements may include alterations to and installation of bathroom facilities, alterations to existing windows to comply with fire regulations, and installation of shower facilities. ALC shall install the ALC Improvements in a good and workmanlike manner using licensed and bonded contractors. ALC shall coordinate with the District to install the ALC Improvements at a time and in a manner that does not interfere with the District's operations at the Property.
- b. ALC shall require contractors to furnish satisfactory evidence of statutory worker's compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance and physical damage insurance on a Builder's Risk form with the interest of District endorsed thereon, in such amounts and in such manner as the District reasonably requires.
- c. ALC shall provide or assign to District an express construction materials and workmanship warranty that the construction work on the Premises will be free from faulty materials, equipment, and any improper workmanship, which warranty shall be for a period of one (1) year from the date of issuance of the final Certificate of Occupancy. ALC shall also assign to District any manufacturer's warranties related to FF&E fixed to the Premises.
- d. Except as set forth in this Section 13(a), ALC shall not make any alterations, additions, or improvements to the Premises without first obtaining the written consent of District. Any alterations, additions or improvements to the Premises, if approved by District, shall at once become a part of the realty and belong to District, unless negotiated with the District, and shall be surrendered with the Premises. Any alterations, additions, or improvements shall be at ALC's sole cost and expense and in compliance with the applicable law and shall be performed by a licensed and bonded contractor.

14. Assignment and Sublease. ALC shall not sublet the Premises or any part thereof, or assign this Agreement, or any part hereof, without the prior written consent of District, which consent may be withheld in District's sole and absolute discretion.

15. Maintenance, Repair and Snow Removal. ALC shall, at ALC's sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair. All maintenance and repair of the Premises, including normal and minor maintenance repair and major maintenance and repair of any feature or improvement constructed by ALC shall be the full responsibility of ALC. District, at District's expense, shall provide snow removal for Common Areas.

16. Cleaning. During the term, ALC will, at its sole expense, keep the Premises in a neat, clean, and sanitary condition.

17. Surrender of Property. ALC, at ALC's sole cost and expense, shall, at the termination or



expiration of this Agreement, surrender and deliver the Premises in good order and condition as when the same were entered upon, loss by fire, inevitable accident or ordinary wear and tear excepted. Except as otherwise provided in writing by District, ALC's obligations under this Section 16 include, but are not limited to, removing and disposing of all improvements constructed on the Premises. Such removal and disposal shall be in accordance with applicable law. If ALC fails to comply with Section 16, District may remove all improvements and ALC real and personal property from the Premises and store the same in a public warehouse or elsewhere at ALC's expense, (ii) deem all such improvements and property to be abandoned, and, in such event, District may dispose of such improvements and property at ALC's expense, free from any claim by ALC or anyone claiming by, through or under ALC, and (iii) exercise any and all other remedies hereunder, at law and in equity all of which such remedies shall be cumulative and not exclusive. The provisions of this Section 16 and the ALC's obligations hereunder shall survive the expiration or earlier termination of this Agreement.

18. Access to Premises. ALC shall permit District, its agents, employees and contractors to have access to and enter the Premises at all reasonable and necessary times to inspect the Premises for any purpose connected with the repair, improvement, care and management of the Premises, or for any other purpose reasonable connected with District's interest in the Premises.
19. Liens. ALC shall not permit the creation of any type of lien upon the Premises, including, but not limited to a mechanic's or material men's lien. The indemnification provisions of this Agreement shall apply to any such lien. If, because of any act or omission of ALC, and resulting from ALC's work on the Premises, any mechanic's or other lien, charge or order for the payment of money shall be filed against the Premises or the Property, ALC shall, at its own cost and expense, cause the same discharged of record or bonded within thirty (30) days from filing of such lien.
20. Non-Discrimination: Compliance with Applicable Laws. ALC agrees that it shall not discriminate against any person because of age, race, color, creed, sex, sexual orientation, gender identity, gender expression, religion, national origin, or disability in its use of the Premises. ALC shall further comply with all applicable federal, state, and local laws, rules, and regulations. Without limiting the generality of the foregoing, ALC shall comply as applicable with the Americans with Disabilities Act, 42 U.S.C. 12101, et seq (Public Law 101- 336), and all applicable regulations promulgated thereunder by any regulatory agency. The indemnification and termination provisions of this lease shall apply with respect to ALC failure to comply with all applicable laws or regulations.
21. Damage to Property. In the event the Premises is destroyed or rendered wholly uninhabitable by fire, storm, earthquake, or other casualty not caused by the negligence or willful misconduct of ALC, this Agreement shall terminate from such time except for the purpose of enforcing rights that may have then accrued or that may survive hereunder. Should a portion of the Premises be rendered uninhabitable, District shall have the option of either repairing such injured or damaged portion or terminating this Agreement. If District exercises its right to repair such uninhabitable portion, such part so injured shall be restored by District as soon as practicable, after which the Agreement will continue according to its terms. Notwithstanding anything herein to the contrary, District shall have no obligation to repair damage to the ALC Improvements or other ALC's other improvements to the Premises.

22. ALC Default. ALC shall be in default of this Agreement if ALC fails to fulfill any obligation or duty prescribed by this Agreement. Subject to any governing provisions of law to the contrary, if ALC fails to cure the default within 30 days of the written notice, said default shall be deemed a material breach of this Agreement and may be grounds for eviction or other legal action to regain possession and recover any damages incurred by District due to ALC's default. In the alternative, District may elect to cure any default and recover the cost of such action from ALC. ALC shall pay all costs, including, if applicable, utility disconnect and reconnect fees, damages, and expenses suffered by District by reason of ALC's default.
23. District's Remedies Upon Default. If ALC is in default under this Agreement, District shall have all of the remedies provided for in such circumstances by Colorado law, including without limitation, the right to terminate this Agreement by written notice to ALC, in which event ALC shall immediately surrender the Premises to District and, if ALC fails to do so, District may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or evict ALC and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for any claim for damages therefor.
24. Dispute Resolution. ALC and District desire to attempt to reach an amicable resolution of any disputes and controversies that might arise between them under this Agreement as quickly as is reasonably practicable and in a mutually beneficial manner. To foster a positive working relationship, the District Superintendent or designee and the ALC Executive Director or designee will meet and attempt to resolve any disputes. Such meeting shall be held within fifteen (15) days of a request. If a dispute arises under this Agreement that the parties are not able to mutually resolve, the parties may submit the dispute to mediation conducted by a neutral mediator. The parties shall attempt to agree upon a mediator and shall endeavor to find a mediator having experience in the subject matter of the dispute. If the parties are unable to agree upon a mediator, the parties shall apply to the Judicial Arbitrator Group in Denver, Colorado, for appointment of a mediator. The cost of the mediation shall be shared equally by the parties.
25. Holdover by ALC. Should ALC remain in possession of the Premises with the consent of District after the natural expiration of this Agreement, a new tenancy from month to month shall be created between District and ALC which shall be subject to all the terms and conditions hereof, but shall be terminable on thirty (30) days' written notice served by either District or ALC on the other party.
26. Surrender of the Property. At the expiration or termination of this Agreement, ALC shall quit and surrender the Premises in as good a state and condition as it was at the commencement of this Agreement, reasonable use and wear thereof and damages to the exterior by elements excepted.
27. Insurance. ALC covenants and agrees to obtain and keep in full force and effect during the Term, and to pay the premiums and costs for, the types and kinds of insurance set forth in this Section 27.
- a. ALC shall procure and maintain property insurance on a "special" coverage form (including sprinkler leakage) for the full replacement cost of all additions, improvements and alterations to the Premises made by ALC and of all office equipment, furniture, trade fixtures, merchandise and all other items of ALC's property on the Premises. ALC agrees to have such insurance policies endorsed to

- provide for a waiver of subrogation against District by the insurance carrier.
- b. ALC shall procure and maintain commercial general liability insurance against claims for personal injury, death or property damage occurring in connection with the use and occupancy of the Premises and the Property, including contractual liability insuring the indemnification provisions contained in this lease, naming District as an additional insured, such insurance to afford protection to the limit of \$2 million per occurrence and \$5 million annual aggregate. General liability insurance shall include sexual abuse and molestation with no exclusions or limitations (including no sublimits).
  - c. ALC shall procure auto liability insurance for owned, non-owned, and hired autos that will be driven on District property with a minimum of \$2 million coverage.
  - d. ALC shall procure Builder's Risk coverage for all betterments and improvements to the building. Construction contracts shall allow the District to subrogate damage caused outside the scope of the construction.
  - e. ALC shall procure and maintain worker's compensation insurance as required to meet the applicable laws of the State of Colorado, and employer's liability insurance.
  - f. ALC covenants and agrees to obtain such other form or forms of insurance as ALC or District may reasonably require from time to time in form, in amounts and for insurance risks as District may reasonably require.
  - g. Except as otherwise approved in writing by District, all insurance obtained by ALC shall be with insurance companies licensed to do business in Colorado, with an A.M. Best's rating of "A" or better and, which approval shall not be unreasonably withheld; shall name District as additional insured on the commercial general liability, automobile liability, and builder's risk policies; shall contain a waiver of rights of subrogation as between ALC and District; and shall provide, by certificate of insurance or otherwise, that the insurance coverage shall not be cancelled or altered except upon thirty (30) days' prior written notice to District. Certificates of insurance and required additional insured endorsements obtained by ALC shall be delivered to District upon ALC's occupancy of the Premises and thereafter upon each renewal date of ALC's insurance. ALC shall annually provide District with copies of all policies of insurance and endorsements required of ALC pursuant to this Section 27.
  - h. Before commencing work on approved improvements, ALC and ALC's contractors, at ALC's sole cost and expense, shall obtain and maintain or cause to be obtained and maintained worker's compensation insurance covering all persons employed in connection with the work, and shall obtain liability insurance covering any loss or damage to persons or property arising in connection with any such improvements and such other insurance or bonds as District may reasonably require (all of which shall conform to the provisions of Section 25) and shall produce documentation of such within ten (10) days upon request by District.
28. No Waiver of Government Immunity. The parties hereto understand and agree that District is relying on, and does not waive or intent to waive by any provision of this Agreement, the monetary limitations, or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq. C.R.S., as from time to time amend or any other limitation or defense otherwise available to District, its officers, or

its employees.

29. Indemnification. ALC shall indemnify and hold harmless District, its directors, employees, and agents from and against all liability, claims, and demands, on account of injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, that occur on the Premises or Property and arise out of or are in any manner connected with ALC's occupancy of the Premises or use of the Property pursuant to this Agreement. ALC agrees to investigate, handle, repost to, and provide defense for and defend against any such liability, claim, or demand at the sole expense of ALC. ALC also agrees to bear all other reasonable costs and expenses related thereto, including court costs and attorney's fees, except as otherwise provided herein.
30. Non-liability of District. ALC releases District and its directors, employees, and, agents, from any and all liability for any injury or damage to ALC, or to ALC's property located on or about the Premises, resulting from any cause whatsoever, except injury or damage resulting from the gross negligence or willful act of District or its directors, employees, and agents.
31. Abandonment. If, at any time during the term of this Agreement, ALC abandons the Premises, District may, at its options, and with or without terminating this Agreement, enter the Premises by any means without being liable for any prosecution therefor, and without becoming liable to ALC for damages or for any payment of any kind whatsoever, and may, at District's discretion, retake possession and make sure changes and repair as may be required, relet the Premises for the whole or any apart of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at District' option, hold ALC liable for any difference between the rent that would have been payable under this Agreement during the balance of the unexpired term, and the net rent for such period realized by District by means of such reletting, less all expenses of such changes and repairs.
32. Attorney's Fees. ALC shall pay all reasonable attorneys' fees and costs on behalf of District if any action brought by District results in a final court ruling or stipulated settlement in favor of District. District shall pay all reasonable attorneys' fees and costs on behalf of ALC if any action brought by District results in a final court ruling or stipulated settlement in favor of ALC.
33. Notices. In every case where notice is required or permitted in this Agreement, notice shall be deemed sufficient if (1) personally delivered or (2) mailed by certified mail, postage prepaid, properly addressed to the address contained herein, or such other addresses as shall be given in writing by one party to the other according to the provisions hereof.

If to ALC:

Advocates of Lake County  
Attn: Executive Director  
PO Box 325 Leadville, CO  
80461

If to District:

Lake County School District R-1  
Attn: Superintendent  
328 West 5<sup>th</sup> Street Leadville,  
CO 80461

1. Time of Essence. Time is of the essence of this Agreement.
2. No Partnership Created. The provisions of this Agreement are not intended to create, nor shall they be in any way interpreted or constructed to create, a joint venture, partnership, or other similar relationship between the parties.
3. Third Parties. This Agreement does not, and shall not be deemed or construed to, confer upon or grant to any third party any right to claim damages or to bring suit, action or other process against the parties because of any breach hereof or because of any of the terms, covenants, agreement and conditions herein.
4. Complete Agreement. It is understood and agreed that this Agreement contains the complete and final expression of the agreement between the parties as to the subject matter of this Lease and that there are no promises, representations, or inducements except as are herein set forth.
5. Modification. This Agreement may be modified or amended only by a duly authorized written instrument executed by the parties hereto. Oral amendments to this Agreement are not permitted.
6. Applicable Law. This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado without regard to its conflict of laws rules. The parties agree to the jurisdiction and venue of the courts of Lake County, Colorado in connection with any dispute arising out of or in any matter connected with this Agreement.
7. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be considered an original for all purposes and all of which together shall constitute but one and the same instrument.
8. Section Headings. Section Headings are inserted for convenience only and in no way limit or define interpretation to be places upon this Agreement.
9. Waiver. The failure of either party to exercise any of its rights under this Agreement shall not be a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

10. No Recording. This Agreement MAY NOT be recorded in the real property records.

11. Survival of indemnity Obligations. All indemnity obligations provided for in this Agreement shall survive the expiration or termination of this Agreement and shall be fully enforceable for a reasonable and foreseeable time thereafter, notwithstanding the expiration or termination of this Agreement.

12. Binding Effect. Agreement shall be binding upon, and shall inure to the benefit of the parties, and their respective successors and permitted assigns.

**IN WITNESS WHEREOF**, the parties have executed this Lease Agreement as of the day and year first above written.

**LCSD:**

Lake County School District

**ALC:**

Advocates of Lake County

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### Building Rules and Regulations

1. No sign, placard, picture, advertisement, lettering, name or notice (hereinafter collectively referred to as "sign") shall be inscribed, displayed, printed or affixed on or to any part of the outside or inside of the Building, the Premises or the surrounding area without District's consent, which shall not be unreasonably withheld. If District gives such consent, District may regulate the manner of display of the sign. District shall have the right to remove any sign that has not been approved by District or is being displayed in a non-approved manner without notice to and at the expense of the Tenant. All approved signs shall be installed at the expense of Tenant. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall that may appear unsightly from outside of Premises.
2. The sidewalks, paved area, exits and entrances shall not be obstructed by any of the Tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The paved areas, exits, entrances, and roof are not for the use of the general public and the District shall in all cases retain the right to control thereof and prevent access thereto by all persons whose presence in the judgment of the District shall be prejudicial to the safety, character, reputation and interests of the Building or its Tenants; provided, however, that nothing herein contained shall be construed to prevent access by persons with whom Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No Tenant and no employees, invitees, contractors or subcontractors of any Tenant shall go upon the roof of the Building.
3. Tenant shall not alter any lock or install any new additional locks or any bolts on any door of the Premises without the written consent of District.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever, including without limitation diapers, flushable wipes, and feminine hygiene products, shall be thrown therein. The expense of any breakage, stoppage or damage resulting from a violation of this rule shall be borne by the Tenant who, or whose employees, agents, or invitees, shall have caused it.  
Tenant shall not use, keep, or permit to be used any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the District or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with the other Tenants or those having business in the Building. No animals or birds shall be brought in or kept in or about the Premises or the Building, except as mandated by the Americans with Disabilities Act. No Tenant shall disturb neighboring Buildings or Premises, or those having business with such occupants, by the use of any musical instruments, radio, phonograph, unusual noise or in any other way. No Tenant shall throw anything out of doors or down the passageways.
5. Tenant shall not use or keep in the Premises, or the Building, any kerosene, gasoline or flammable combustible fluid or material or use any method of heating or air conditioning other than that supplied by District.
6. Tenant shall have access to the building janitorial closet, boiler and electrical breaker.
7. The location of telephones, call boxes and other office equipment affixed to the

Premises shall be subject to the approval of District.

8. Tenant, upon termination of the tenancy, shall deliver to the District the keys to the Building, offices, rooms and toilet rooms which shall have been furnished and shall pay the District the cost of replacing any lost key or of changing the lock or locks opened by such lost key if District deems it necessary to make such change.
9. No Tenant shall affix to the floor of the Premises any linoleum, tile, carpet or other similar floor coverings except as approved by the District. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant.
10. Tenant agrees that it shall comply with all fire regulations that may be issued from time to time by District.
11. District reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in District's judgment, it is necessary, desirable or proper for the best interest of the Building or its Tenants.
12. Without the written consent of District, which shall not be unreasonably withheld, Tenant shall not use the name of the Building in connection with or in promotion or advertising the business of Tenant except as Tenant's address. Tenant shall not disturb, solicit, or canvas any occupant of the Building and shall cooperate to prevent same.
13. Tenant shall be entitled to use parking spaces during working hours (see figure 1). Tenant shall ensure no cars are parked in front of the garage doors, including the doors across the street (bus barn). Tenant shall ensure no cars are parked in the lot to the south of the building. District or its agents shall have the right to cause to be removed any car of Tenant, its employees or agents, that may be parked in unauthorized areas, and Tenant agrees to save and hold harmless District, its agents and employees from any and all claims, losses, damages and demands asserted or arising in respect to or in connection with the removal of any such vehicle and for all expenses incurred by District in connection with such removal. Tenant shall place and maintain blocks under any trailers parked in the parking facilities to protect the asphalt thereunder.

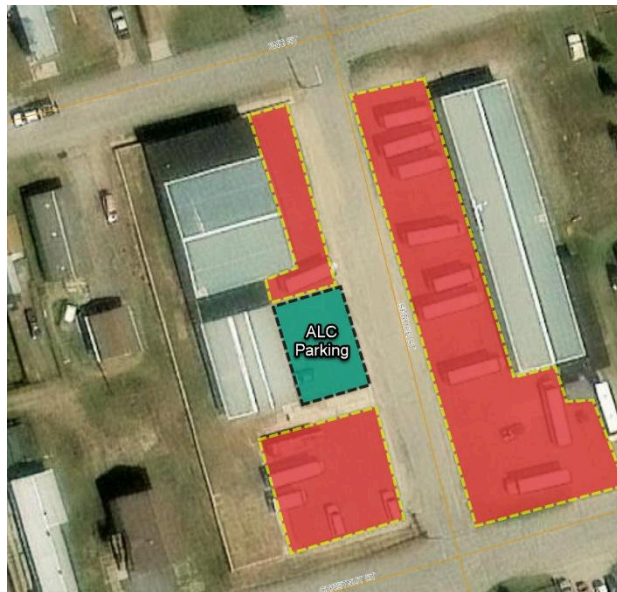


Figure 1



Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Jim Mulcey  
MEMO PREPARED BY: Jim Mulcey  
INVITED GUESTS: None  
TIME ALLOTTED ON AGENDA: 20 minutes  
ATTACHMENTS: MLO Compensation Allocation.pptx

RE: *MLO Compensation Strategy*

### TOPIC SUMMARY

**Background:** When the Board of Education put forward the Mill Levy Override, it also indicated a preference in how those funds were allocated. For FY25, the BoE indicated its intent to allocate 50% (\$600K) to attracting and retaining quality teachers and staff.

**Topic for Presentation:** The LCSD staff has developed the following strategy to implement the BoE allocation of MLO funds. It is a three phased approach in order to account for cash flow timing. Since the MLO funds will arrive with our regular property taxes, we will not receive them from March through December with the bulk of the funds arriving in May.

Payment 1 is a 1% bonus based on the annual salary of employees. We will fund this by borrowing through the state Interest-Free Loan Program. It will be in the December payroll.

Payment 2 is a 2.5% bonus based on the annual salary of employees. It will be in the May or June payroll, depending on the receipt of property taxes.

Payment 3 is a retention bonus. It will be offered to employees who are offered an agreement for the 25-26 school year. The amount will be all estimated remaining MLO compensation funds after payments 1 & 2, divided by the number of FTE at that time. Less than full time staff will be offered proportionally less than full time employees. The payment amount will decrease for the employee if they take longer to return the agreement. Some number of employees are likely to respond later or not at all, which will leave "unclaimed" funds, and these funds will be proportionally distributed to the staff

who are getting a retention bonus. This way we will ensure the entire \$600K allocated to staff compensation will actually be paid out.

# MLO Compensation Allocation

# Three-Phased Approach

- Payment 1 (Dec 24): 1% bonus based on annual salary
- Payment 2 (Jun 25): 2.5% bonus based on annual salary
- Payment 3 (Aug 25): Retention Bonus

# Payment 1

- 1% bonus based on annual salary
  - Paid out in December 24 payroll
  - Borrow money to afford this now
- Includes
  - All regular staff get the full 1% of annual salary
  - Substitutes/part-time get a bonus based on the amount they have worked
- Details
  - Working with PERA to see if this is includable—likely not includable as not base-building and a one-time bonus payment with no requirements
  - Estimated total cost ~ \$120K (including Medicare & PERA)

# Payment 2

- 2.5% bonus based on annual salary
  - Paid out in June 25 payroll
  - Estimated total cost ~ \$300K (including Medicare & PERA)
  - All details are the same as Payment 1

# Payment 3

- Retention bonus based on how quickly letters of intent are returned
  - Offered in March timeframe
  - Paid out in August
  - ~\$120K pool (\$600K - \$120K - \$300K)
    - If any of the payments are not PERA-includable, those allocated funds will be added to the pool
- Includes
  - All full-time regular staff are eligible, if offered a contract
  - Part-time staff will be eligible for a lower amount
- Details
  - Working with PERA to see if this is includable

# Ground Rules and Details

- Coaches are not included
- No double-dipping (only one bonus) per payment phase
- Staff that are no longer on our payroll are not eligible for a bonus
- There are likely to be minor issues as we implement this plan
- All payments described here are **one-time bonus payments and do not represent a permanent salary increase, the promise of a future salary increase, or a buyback of LCEA furlough days**. All of these must be agreed upon through negotiations for future years.



Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Kate Bartlett  
MEMO PREPARED BY: Kate Bartlett  
INVITED GUESTS: Jim Mulcey  
TIME ALLOTTED ON AGENDA: 10 minutes  
ATTACHMENTS: 0

RE: *2025-26 Academic Calendar*, Discussion

### TOPIC SUMMARY

**Background:** In October, staff presented options to the Board for how to approach the development of the 2025-26 district academic calendar. Staff requests final direction from the Board in order to pursue next steps.

**Topic for Presentation:** In October, the Board indicated its preference to keep the general calendar structure the same for one more year. The Board discussed wanting to convene a stakeholder committee during the 2025-26 school year to examine the calendar model and evaluate potentially more substantive changes, if desired, starting in the 2026-27 school year.

If the Board wishes to confirm this intent in tonight's meeting, staff's next steps will be to:

- 1) December/January - Draft a version of the 2025-26 academic calendar to largely mirror the 2024-25 calendar. This draft will represent student days only as staff days may be subject to negotiations as this is a year in which the entire contract is open for discussion (this only happens once every three years). It is not automatic that staff days will change, but it is possible depending on what bargaining units and/or the district bring forward for negotiation.
- 2) January - Convene a small stakeholder committee, to include principals, a teacher representative and a parent representative, to review the draft.
- 3) February - Present the draft (student days) to the Board for approval.
- 4) February/March - Publish the 2025-26 academic calendar (student days) after Board approval.
- 5) April/May - Present the 2025-26 academic calendar (to include staff days) at the conclusion of negotiations.

- 6) April/May - Publish the 2025-26 academic calendar (staff and student days) after Board approval.

Lake County School District  
328 West 5<sup>th</sup> Street  
Leadville, Colorado 80461  
[www.lakecountyschools.net](http://www.lakecountyschools.net)

## AGENDA COVER MEMO

TO: Board of Education  
PRESENTER(S): Jim Mulcey  
MEMO PREPARED BY: Jim Mulcey  
INVITED GUESTS: None  
TIME ALLOTTED ON AGENDA: 60 minutes  
ATTACHMENTS: None

RE: *FY2023-2024 Audit*

### TOPIC SUMMARY

**Background:** At the end of each fiscal year, the District conducts an independent audit of its financials.

**Topic for Presentation:** The FY24 audit will be presented by Paul Backes.

High-level summary:

- Three funds ran deficits for a total of (\$573,926)
  - General Fund (\$481,798)
  - Food Service (\$4,595)
  - Health Insurance (\$87,533)
- Identified Early Out Payments have not been deducting Medicare
  - Corrected in payroll going forward
  - Filed amended tax forms for the past 3 tax years

**Lake County School District**

**Financial Report**

**June 30, 2024**



**Lake County School District**  
**Learning Beyond Walls**

**Lake County School District  
Financial Report  
June 30, 2024**

---

**Table of Contents**

	<b><u>Page(s)</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A1 – A4
<b>Management's Discussion and Analysis</b>	B1 – B7
<b>Basic Financial Statements:</b>	
<b>District-wide Financial Statements:</b>	
Statement of Net Position	C1
Statement of Activities	C2
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	C8
Statement of Cash Flows – Proprietary Fund	C9
<b>Notes to the Financial Statements</b>	D1 – D42
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – General Fund (including Universal Preschool Program Sub-Fund)	E1
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Designated-Purpose Grant Fund	E2
Schedule of the District's Proportionate Share of the Net Pension Liability	E3

**Lake County School District  
Financial Report  
June 30, 2024**

---

**Table of Contents  
(Continued)**

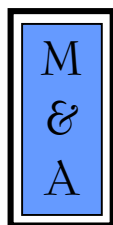
	<b><u>Page(s)</u></b>
<b>Required Supplementary Information (continued):</b>	
Schedule of District Pension Contributions	E4
Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability	E5
Schedule of District Other Post-Employment Benefits Contributions	E6
Notes to the Required Supplementary Information	E7 – E10
<b>Supplementary Information:</b>	
Combining Balance Sheet	F1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	F2
Combining Balance Sheet – Non-Major Governmental Funds	F3
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	F4
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Bond Redemption Fund	F5
Building Fund	F6
Capital Reserve Fund	F7
Food Service Fund	F8
The Center Fund	F9
Pupil Activity Fund	F10
Head Start Fund	F11
Health Insurance Fund	F12
Capital Assets Used in the Operation of Governmental Funds	F13
Auditor's Electronic Financial Data Integrity Check Figures	F14
<b>Single Audit Reports and Schedules:</b>	
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 <i>Government Auditing Standards</i>	G1 – G2

Lake County School District  
Financial Report  
June 30, 2024

---

Table of Contents  
(Continued)

	<u>Page(s)</u>
<b>Single Audit Reports and Schedules (continued):</b>	
Independent Auditor's Report on Compliance for Each Major Program and Report On Internal Control Over Compliance Required by the Uniform Guidance	G3 – G5
Schedule of Findings and Questioned Costs	G6
Schedule of Prior Audit Findings and Questioned Costs	G7
Schedule of Expenditures of Federal Awards	G8 – G9



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Education  
Lake County School District  
Leadville, Colorado**

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County 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 District's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

*Member: American Institute of Certified Public Accountants*

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

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



**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Lake County School District**

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Lake County School District**

***Required Supplementary Information (continued)***

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

***Supplementary Information***

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

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

***Other Reporting Required by Government Auditing Standards***

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

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**

Report date TBD

## Management's Discussion and Analysis



---

## Lake County School District Management's Discussion and Analysis

As management of Lake County School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

### Financial Highlights

- ❖ The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$30,948,836. Of this amount, \$4,061,244 is restricted in its use to meet the District's ongoing obligations to students and creditors.
- ❖ The District's total net position decreased by \$2,022,315 largely due to increases in the District's pension and Other Post-Employment Benefits (OPEB) obligations. High costs in the Health Insurance fund relative to employee/employer contributions also contributed.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$7,159,229, an increase of \$17,694 in comparison with the prior year.
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,055,360. It is available for spending at the District's discretion, however, it is primarily used for cash flow purposes. The District uses this balance to pay for operating expenditures in case related revenues are not readily available. At June 30, 2024 the District had unrestricted general fund equal to 29% of the fund's expenditures. This will require the District to participate in the state loan program to provide cash flow for ongoing operating in fiscal year 2025.
- ❖ The District's general obligation debt decreased to a balance of \$17,661,944. As of June 30, 2024, the district has two outstanding general obligation bonds from 2012 and 2019.

### Overview of the Financial Statements

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

**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include direct instruction, indirect instruction, transportation, custodial and maintenance, support services, general administration, community service, food service, and student activities

The government-wide financial statements can be found in Section C of this report.

---

## Overview of the Financial Statements (continued)

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 10 individual governmental funds. Information is presented in the governmental funds balance sheets and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Designated-Purpose Grant Fund, and Bond Redemption Fund, which are considered to be major funds. Data from the other 7 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement have been provided for all governmental funds to demonstrate compliance with these budgets.

The basic major governmental fund financial statements can be found in Section C.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found in Section C of this report.

**Notes to the Financial Statements:** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Section D of this report.

## Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,948,836, at the close of the most recent fiscal year.

### Lake County School District's Net Position

	Governmental Activities	
	2024	2023
<b>Assets:</b>		
Current and other assets	\$ 8,801,458	\$ 9,459,622
Capital assets	62,342,105	64,133,158
<b>Total Assets</b>	<u>71,143,563</u>	<u>73,592,780</u>
Deferred Outflows	<u>8,399,867</u>	<u>5,323,964</u>
<b>Liabilities:</b>		
Other liabilities	2,635,927	3,115,877
Long-term liabilities	44,356,367	39,524,344
<b>Total Liabilities</b>	<u>46,992,294</u>	<u>42,640,221</u>
Deferred Inflows	<u>1,602,300</u>	<u>3,305,372</u>
<b>Net Position:</b>		
Net investment in capital assets	44,680,161	45,314,707
Restricted	4,061,244	3,673,050
Unrestricted	(17,792,569)	(16,016,606)
<b>Total Net Position</b>	<u>\$ 30,948,836</u>	<u>\$ 32,971,151</u>

Long-term liabilities, which consist of general obligation bonds, compensated absences, incentive retirement bonus liabilities, and the net pension and OPEB liabilities 62,342,105 \$4,832,023 from the previous year. This was primarily attributed due to a net increase in the net pension and OPEB liabilities of \$6,074,160, offset by bond principal payments of \$1,135,622. Changes in the District's net pension and OPEB liabilities, and related deferred inflows and outflows of resources are attributed to changes in the actuarial study.

By far, the largest portion of the District's net position, \$44,680,161, reflects its investment in capital assets (e.g. land, buildings, equipment), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The District's net investment in capital assets accounted for 144% of its total net position. Accordingly, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining (\$13,731,325) in net position, \$373,000 is restricted for TABOR reserve, \$81,220 is restricted for the Colorado Preschool Program, \$353,050 is restricted for the BEST Capital Renewal Reserve, and \$3,253,974 is restricted for debt service, and (\$17,792,569) is unrestricted.

The District's June 30, 2024 unrestricted net position (\$17,792,569) is a result of reporting the net pension and OPEB obligation of \$27,781,977. This net liability is the District's proportionate share of the School Division Trust Fund pension and other post-employment benefits liability, administered by the Public Employees' Retirement Association of Colorado. This was determined by an actuarial valuation as of December 31, 2023.

**Government-wide Financial Analysis (continued):****Lake County School District's Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 564,779	\$ 573,670
Operating grants and contributions	5,236,447	6,098,430
Capital grants and contributions	-	1,108,780
General revenues:		
Property taxes	12,055,435	10,496,532
Specific ownership taxes	522,872	392,192
State revenue	2,198,178	3,752,185
Grants and contributions	166,119	322,118
Investment earnings	223,914	80,689
<b>Total Revenues</b>	<b>20,967,744</b>	<b>22,824,596</b>
<b>Expenses:</b>		
Direct instruction	12,345,979	11,365,939
Indirect instruction	2,732,316	3,043,370
Transportation	621,603	663,000
Custodial maintenance	1,946,864	1,982,097
Support services	825,750	826,410
General administration	1,658,084	1,768,259
Community service	1,048,215	1,122,472
Food service	1,085,941	947,290
Student activities	186,659	183,086
Interest on long-term debt	538,648	502,027
<b>Total Expenses</b>	<b>22,990,059</b>	<b>22,403,950</b>
Change in net position	(2,022,315)	420,646
<b>Net position- July 1</b>	<b>32,971,151</b>	<b>32,550,505</b>
<b>Net position - June 30</b>	<b>\$ 30,948,836</b>	<b>\$ 32,971,151</b>

During 2024, net position for governmental activities decreased \$2,022,315 from 2023 for an ending balance of \$30,948,836. The decrease in net position was mostly due to the District's pension and OPEB expense (credit) of \$1,297,986 and \$196,072, respectively. The District's Board of Education has no control over the net pension and OPEB obligations which are determined by the state legislature.

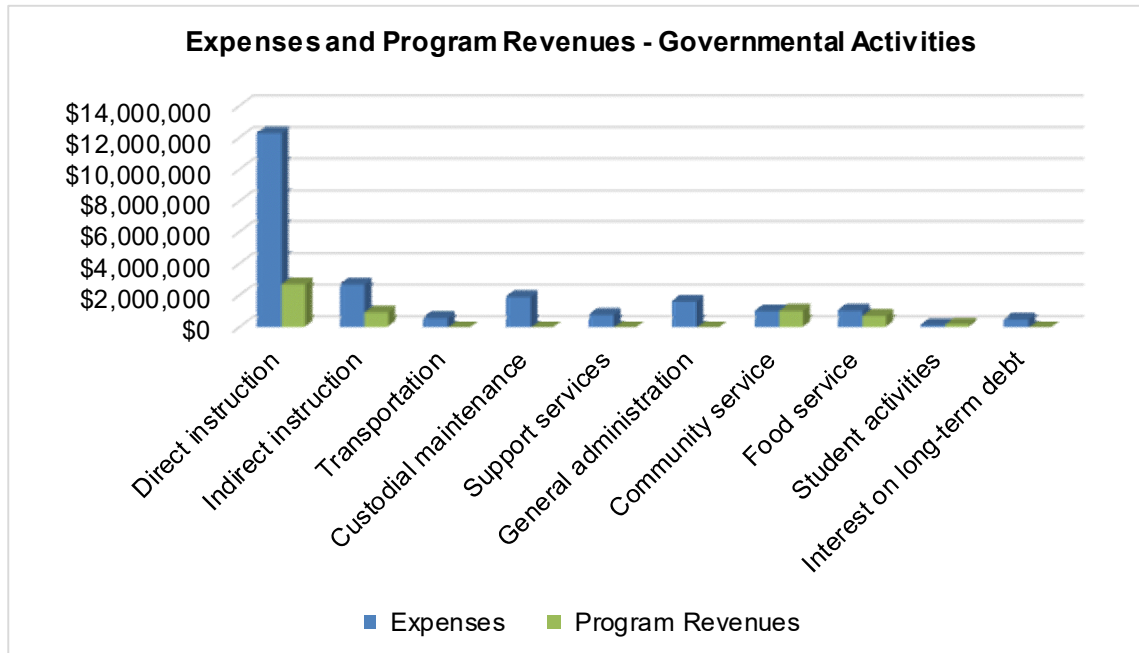
For revenue, drops in grant funding are due to the end of COVID-era federal grants. Capital grants in 2023 for the LCES construction project ended with the completion of that construction project. Rising local revenue was offset by falling state revenue.

Expenses grew \$586,109 during the current year. The most significant increase was in the direct instruction function which was attributed to hiring additional staff for English language development and special education.



## Government-wide Financial Analysis (continued):

As shown in the chart below, revenues generated by the District's programs are not sufficient to cover the costs. The District relies on property taxes, specific ownership taxes, State Equalization funding, investment income, and other general revenues to cover the costs associated with the various programs.



## Financial Analysis of Governmental Funds

**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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Education.

At June 30, 2024, the District's governmental funds reported combined fund balances of \$7,159,229, an increase of \$17,694 from June 30, 2023. Of this amount, \$2,045,564, or 29%, constitutes unassigned fund balance is available for spending at the District's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, \$5,201

, (2) not spendable because it is legally required to be maintained intact, \$3,626,974, (3) restricted for particular purposes, \$434,270; (4) committed for particular purposes, \$374,679; or (5) assigned for particular purposes, \$672,541.

### *Analysis of Individual Funds:*

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,055,360, while total fund balance decreased to \$2,509,580. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures, including transfers out to other funds. Unassigned fund balance represents 15% of the total General Fund expenditures, while total fund balance represents 18% of that same amount.



---

## Financial Analysis of Governmental Funds (continued)

### *Analysis of Individual Funds (continued):*

The Bond Redemption Fund, a major fund, had an increase of \$311,967 in fund balance during the current year, to bring the year end fund balance to \$3,253,974. The Bond Redemption Fund paid \$1,135,622 of debt service principal and \$541,509 of debt service interest on outstanding general obligation bonds during the year.

**Proprietary Funds:** The District's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

The District's proprietary fund ending net position at June 30, 2024 was a deficit of \$87,533, which is a decrease of \$186,491 from 2023.

### General Fund Budgetary Highlights

One of the most important variances to discuss is budgeted vs. actual revenues and expenditures in the General Fund. Actual revenues were favorable to the final budget by \$317,111. This was due to lower than projected property tax revenue and a lower on behalf PERA payment from the State of Colorado. Actual expenditures, excluding the budgeted contingency, were \$664,295 favorable than budgeted. This was due to the District's attempt to decrease spending in order to limit the budget deficit. Specifically, the reductions were primarily in salary & benefits from not filling vacant positions and also in the reduction of purchases of supplies across the entire district

### Capital Assets and Debt Administration

The District's capital assets, net of accumulated depreciation, totaled \$62,342,105 as of June 30, 2024. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than \$5,000 and useful life of more than two years. The District has completed the additions to the elementary school building that were funded by BEST grant.

Additional information as well as a detailed classification of the District's net capital assets can be found in Section D of this report.

**Long-Term Debt:** As of the end of the current fiscal year, the District's long-term liabilities totaled \$45,630,197, representing a net increase of \$4,875,907. This increase in long-term debt is primarily due to an increase in the District's net pension liability for PERA.

Additional information, as well as a detailed classification of the District's total long-term liabilities, can be found in in Section D of this report.

### Economic Factors and Next Year's Budgets and Rates

The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school district based upon a formula that takes into account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk students, amongst other factors. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

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

---

**Economic Factors and Next Year's Budgets and Rates**

School District Finance Act is also significantly affected by Amendment 23, which was approved by the voters in November 2000. This state constitutional amendment requires that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window has expired, the state must increase funding at the rate of inflation. This funding calculation attempts to align Colorado districts to inflation-adjusted funding levels of 1988. The formula will also increase the District's reliance upon the state and decrease the District's reliance upon local funding over time. However, due to the decline in the national and state economy, the State of Colorado has not fully funded Amendment 23 levels for the 2022-23 school year, and has not since the 2009-2010 school year.

**Next Year's Budget and Rates:** The District's General Fund balance at the end of fiscal year 2024 totaled \$2,509,580. The fiscal year 2025 budget anticipates to decrease this \$71,823, however, the District anticipates the January revised budget will eliminate the deficit due to the recent passage of a Mill Levy Override. The budget is fiscally balanced.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lake County School District, Chief Financial Officer, 328 West 5<sup>th</sup> Street, Leadville, Colorado 80461.

**Basic Financial Statements**



**Lake County School District**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Governmental Activities</b>
<b>Assets:</b>	
<b>Current Assets:</b>	
Cash and investments	\$ 6,871,121
Accounts receivable	64,138
Taxes receivable	831,499
Intergovernmental	1,029,499
Inventory	5,201
<b>Total Current Assets</b>	<b>8,801,458</b>
<b>Capital Assets:</b>	
Nondepreciable	426,995
Depreciable, net of accumulated depreciation	61,915,110
<b>Total Capital Assets</b>	<b>62,342,105</b>
<b>Total Assets</b>	<b>71,143,563</b>
<b>Deferred Outflows of Resources:</b>	
Related to pension expenses	8,285,790
Other post-employment benefits expenses	114,077
<b>Total Deferred Outflows of Resources</b>	<b>8,399,867</b>
<b>Liabilities:</b>	
<b>Current Liabilities:</b>	
Accounts payable and accrued expenses	257,208
Accrued salaries and benefits	806,394
Accrued interest	42,265
Unearned revenue	256,230
Bonded debt payable - Due within one year	1,169,453
Retirement obligation - Due within one year	104,377
<b>Total Current Liabilities</b>	<b>2,635,927</b>
<b>Noncurrent Liabilities:</b>	
Bonded debt payable - Due in more than one year	16,492,491
Retirement obligation - Due in more than one year	81,899
Net pension and OPEB liability:	
Due in more than one year - Net pension	27,126,970
Due in more than one year - OPEB	655,007
<b>Total Noncurrent Liabilities</b>	<b>44,356,367</b>
<b>Total Liabilities</b>	<b>46,992,294</b>
<b>Deferred Inflows of Resources:</b>	
Related to pension expenses	1,390,507
Related to other post-employment benefits expense	211,793
<b>Total Deferred Inflows of Resources</b>	<b>1,602,300</b>
<b>Net Position:</b>	
Net investment in capital assets	44,680,161
Restricted for:	
TABOR	373,000
Colorado Preschool Program Reserve	81,220
Debt service	3,253,974
BEST Capital Renewal Reserve	353,050
Unrestricted	(17,792,569)
<b>Total Net Position</b>	<b>\$ 30,948,836</b>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Direct instruction	\$ 12,345,979	\$ 85,696	\$ 2,657,043	\$ -	\$ (9,603,240)
Indirect instruction	2,732,316	-	978,443	-	(1,753,873)
Transportation	621,603	-	-	-	(621,603)
Custodial and maintenance	1,946,864	-	-	-	(1,946,864)
Support services	825,750	-	653	-	(825,097)
General administration	1,658,084	-	-	-	(1,658,084)
Community service	1,048,215	202,028	876,295	-	30,108
Food service	1,085,941	41,860	724,013	-	(320,068)
Student activities	186,659	235,195	-	-	48,536
Interest	538,648	-	-	-	(538,648)
Total governmental activities	<u>\$ 22,990,059</u>	<u>\$ 564,779</u>	<u>\$ 5,236,447</u>	<u>\$ -</u>	<u>(17,188,833)</u>
<b>General revenues:</b>					
Property taxes levied for general purposes					\$ 10,196,121
Property taxes levied for debt service					1,859,314
Specific ownership taxes					522,872
State revenue					2,198,178
Grants and contributions not restricted to specific programs					166,119
Interest and investment earnings					223,914
Total general revenues					<u>15,166,518</u>
Change in net position					(2,022,315)
<b>Net Position - Beginning of Year</b>					<u>32,971,151</u>
<b>Net Position - End of Year</b>					<u>\$ 30,948,836</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<b>General Fund</b>	<b>Designated- Purpose Grant Fund</b>	<b>Bond Redemption Fund</b>	<b>Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Cash and investments	\$ 2,987,865	\$ 104,020	\$ 3,200,987	\$ 571,734	\$ 6,864,606
Taxes receivable	698,447	-	133,052	-	831,499
Intergovernmental	224,506	691,906	-	113,087	1,029,499
Due from other funds	-	-	-	894,842	894,842
Inventories	-	-	-	5,201	5,201
<b>Total Assets</b>	<b>\$ 3,910,818</b>	<b>\$ 795,926</b>	<b>\$ 3,334,039</b>	<b>\$ 1,584,864</b>	<b>\$ 9,625,647</b>
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 64,607	\$ 31,243	\$ -	\$ 3,514	\$ 99,364
Accrued salaries and benefits	662,067	108,558	-	35,769	806,394
Due to other funds	193,440	526,702	-	80,921	801,063
Unearned revenue	57,822	129,423	-	68,985	256,230
<b>Total Liabilities</b>	<b>977,936</b>	<b>795,926</b>	<b>-</b>	<b>189,189</b>	<b>1,963,051</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable property taxes	423,302	-	80,065	-	503,367
<b>Fund Balances:</b>					
Non-spendable:					
Inventories	-	-	-	5,201	5,201
Restricted for:					
Debt service	-	-	3,253,974	-	3,253,974
Colorado Preschool Program Reserve	81,220	-	-	-	81,220
TABOR Reserve	373,000	-	-	-	373,000
BEST Capital Renewal Reserve	-	-	-	353,050	353,050
Committed for:					
Capital projects	-	-	-	374,679	374,679
Assigned for:					
Student activities	-	-	-	380,590	380,590
Childcare	-	-	-	291,951	291,951
Unassigned	2,055,360	-	-	(9,796)	2,045,564
<b>Total Fund Balances</b>	<b>2,509,580</b>	<b>-</b>	<b>3,253,974</b>	<b>1,395,675</b>	<b>7,159,229</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,910,818</b>	<b>\$ 795,926</b>	<b>\$ 3,334,039</b>	<b>\$ 1,584,864</b>	<b>\$ 9,625,647</b>

The accompanying notes are an integral part of this statement.

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

---

<b>Governmental Funds Total Fund Balance</b>	\$ 7,159,229
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	83,730,081
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(21,387,976)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows.	503,367
An internal service fund is used by the District's management to charge the cost of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	(87,533)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt payable.	(17,661,944)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is interest payable for the year.	(42,265)
Long-term liabilities, including early retirement, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of early retirement not currently payable.	
Early Out retirement obligation	(186,276)
Long-term payable to Colorado Department of Education	(93,437)
Long-term liabilities, including net pension and OPEB obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension and OPEB liability, adjusted for changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension and OPEB plan, that are amortized over the average remaining service life of all active and inactive plan participants.	(20,984,410)
<b>Governmental Activities Net Position</b>	<b>\$ 30,948,836</b>

The accompanying notes are an integral part of this statement.

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

	<b>General Fund</b>	<b>Grant Fund</b>	<b>Bond Redemption Fund</b>	<b>Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Local sources:					
General property taxes	\$ 10,071,077	\$ -	\$ 1,859,314	\$ -	\$ 11,930,391
Specific ownership taxes	522,872	-	-	-	522,872
Investment income	94,130	-	-	-	94,130
Charges for services	-	-	-	479,083	479,083
Other revenue	283,562	15,911	129,784	118,249	547,506
Intermediate sources	33,098	-	-	26,780	59,878
State sources	2,024,800	329,290	-	203,470	2,557,560
Federal sources	496,499	2,819,301	-	1,373,242	4,689,042
<b>Total Revenues</b>	<u>13,526,038</u>	<u>3,164,502</u>	<u>1,989,098</u>	<u>2,200,824</u>	<u>20,880,462</u>
<b>Expenditures:</b>					
Direct instruction	8,244,245	1,288,729	-	7,347	9,540,321
Indirect instruction	687,853	1,805,320	-	6,980	2,500,153
Transportation	432,162	14,816	-	25,989	472,967
Custodial and maintenance	1,780,422	-	-	32,923	1,813,345
Support services	711,314	11,899	-	-	723,213
General administration	1,489,890	-	-	-	1,489,890
Community service	2,719	-	-	901,578	904,297
Student activities	-	-	-	186,659	186,659
Food service operations	-	-	-	1,000,469	1,000,469
Debt service:					
Principal	-	-	1,135,622	20,886	1,156,508
Interest	-	-	541,509	573	542,082
Capital outlay	4,231	43,738	-	118,895	166,864
<b>Total Expenditures</b>	<u>13,352,836</u>	<u>3,164,502</u>	<u>1,677,131</u>	<u>2,302,299</u>	<u>20,496,768</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>173,202</u>	<u>-</u>	<u>311,967</u>	<u>(101,475)</u>	<u>383,694</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	289,000	289,000
Transfers (out)	(655,000)	-	-	-	(655,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(655,000)</u>	<u>-</u>	<u>-</u>	<u>289,000</u>	<u>(366,000)</u>
<b>Net Change in Fund Balance</b>	(481,798)	-	311,967	187,525	17,694
<b>Fund Balance - Beginning of the Year</b>	<u>2,991,378</u>	<u>-</u>	<u>2,942,007</u>	<u>1,208,150</u>	<u>7,141,535</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 2,509,580</u>	<u>\$ -</u>	<u>\$ 3,253,974</u>	<u>\$ 1,395,675</u>	<u>\$ 7,159,229</u>

The accompanying notes are an integral part of this statement.



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

---

<b>Governmental Funds Changes in Fund Balances</b>	\$ 17,694
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.	129,327
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 and amortization expense. This is the amount of depreciation and amortization expense for the year.	(1,915,380)
Unavailable property tax revenue does not provide a current financial resource and is a deferred inflow on the governmental fund financial statements; not recognized on the government-wide financial statements. This is the unavailable property tax revenue not on the Statement of Activities	125,043
An internal service fund is used by the District's management to charge the costs of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included within governmental activities on the Statement of Net Position.	(186,491)
Retirement of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	1,156,507
Interest on long-term debt in the Statement of Activities differed from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is the change in accrued interest payable during the year.	2,861
Changes in the District's net pension and OPEB obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net pension and OPEB obligation during the year, including differences between employer contributions to the pension and OPEB plan and amortization of pension and OPEB-related deferrals.	(1,295,185)
The early retirement obligation reported in the Statement of Net Position does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the early retirement obligation during the year.	41,746
The payable to the Colorado Department of Transportation relating to pupil counts, reported in the Statement of Net Position does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the payable during the year.	(93,437)
Gains or losses on disposal of assets are recorded in the government wide financial statements. This represents the loss the disposal of fixed assets during the year.	(5,000)
<b>Governmental Activities Change in Net Position</b>	<u><u>\$ (2,022,315)</u></u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

---

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 6,515
Accounts receivable	<u>64,138</u>
<b>Total Assets</b>	<u><u>\$ 70,653</u></u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 64,407
Due to other funds	<u>93,779</u>
<b>Total Liabilities</b>	<u>158,186</u>
<b>Net Position:</b>	
Unrestricted	<u>(87,533)</u>
<b>Total Net Position</b>	<u><u>\$ (87,533)</u></u>

The accompanying notes are an integral part of this statement.

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

---

	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Revenues:</b>	
Insurance premiums	\$ 1,742,775
Stop loss reimbursements	<u>257,715</u>
<b>Total Operating Revenues</b>	<u>2,000,490</u>
<b>Operating Expenses:</b>	
Premiums paid	<u>2,552,981</u>
<b>Total Operating Expenses</b>	<u>2,552,981</u>
<b>Operating Income (Loss)</b>	(552,491)
Transfers in	<u>366,000</u>
<b>Change in Net Position</b>	(186,491)
<b>Net Position - Beginning of the Year</b>	<u>98,958</u>
<b>Net Position (Deficit) - End of the Year</b>	<u><u>\$ (87,533)</u></u>

The accompanying notes are an integral part of this statement.

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

---

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities:</b>	
Cash received for insurance premiums	\$ 1,742,775
Cash received for stop loss payments	505,318
Cash paid for insurance claims and premiums	(2,614,093)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(366,000)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>	
Transfers (to) from other funds	366,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>366,000</u>
<b>Net Change in Cash and Cash Equivalents</b>	-
<b>Cash and Cash Equivalents - Beginning of the Year</b>	6,515
<b>Cash and Cash Equivalents - End of the Year</b>	<u>\$ 6,515</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>	
<b>Operating Income (Loss)</b>	<u>\$ (552,491)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash     Provided (Used) by Operating Activities:</b>	
(Increase) decrease in accounts receivable	247,603
Increase (decrease) in accounts payable	(61,112)
<b>Total Adjustments</b>	<u>186,491</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (366,000)</u>

The accompanying notes are an integral part of this statement.

**Notes to the Financial Statements**



**Lake County School District  
Notes to the Financial Statements  
June 30, 2024**

---

**I. Summary of Significant Accounting Policies**

Lake County School District (the "District") was formed to provide educational services to the students in Lake County, Colorado. It operates under a locally elected Board of Education with five members. The District's mission statement is "*Lake County School District challenges students to reach their fullest potential through personal, engaged and rigorous learning in the classroom and beyond.*" The District operates the following schools:

<u>Elementary School</u>	<u>Middle School</u>	<u>High Schools</u>
Lake County Elementary	Lake County Intermediate	Lake County High School Cloud City High School

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

**A. Financial Reporting Entity**

The reporting entity consists of (a) the primary government, i.e., the District; and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint the voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy tax, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included with the reporting entity. Based upon the above criteria, the District is not financially accountable for any other organization.

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

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Government-wide financial statements report information on all the activities of the District. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The government-wide Statement of Activities reports both the gross and net cost of the District's governmental functions. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

Program revenues must be directly associated with the governmental function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

The financial transactions of the District are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

**C. 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. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. Expenditures include all costs assisted with the daily operation of the schools, except for certain programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations, and other pupil activities.

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

The *Bond Redemption Fund* accounts for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved financed (lease)-purchase debt.

Additionally, the District reports the following fund types:

An Internal Service Fund accounts for benefits or goods or services undertaken by the District to primarily support the District and/or its employees. The District's only internal service fund is the *Health Insurance Fund*, which services the District's self-funded health insurance plan.

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

**1. Long-term Economic Focus and Accrual Basis**

The governmental activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flow.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (120 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred.

The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**3. Financial Statement Presentation**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.



**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**3. Financial Statement Presentation**

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

**E. Financial Statement Accounts**

**1. Cash, Cash Equivalents, and Investments**

For the purpose of the statement of cash flows, the District defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less.

Cash equivalents are both readily convertible to cash and are so near their maturity they present insignificant risk of change in value due to interest rate changes.

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concertation risk criteria in which local governments may invest, which include (with applicable minimum NRSRO credit rating restrictions):

- Obligations of the United States and certain U.S. agency securities
- General obligation and revenue bonds of U.S. local government entities (AA)
- Bankers' acceptance of certain banks (AA)
- Commercial paper and corporate bonds (A-1)
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds (AAAm)
- Certificates of deposit – non-negotiable
- Local government investment pools (AAAm)

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

It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are recorded in the General Fund.

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**2. Receivables**

All property tax and other receivables are shown net of an allowance for uncollectible accounts. At June 30, 2024, the District deems all receivables collectable and therefore does not have an allowance for uncollectible accounts established.

Property taxes are levied in December and attach as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes previously levied and collected in the following year are reported as a receivable at June 30, net of an estimated uncollectible portion. The portion of the property taxes receivable and transportation revenues receivable not collected within 60 days after June 30 is recorded as deferred inflow of resources, since such tax collections are not available to pay liabilities of the fiscal year ended June 30.

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

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

Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**3. Inventories**

Inventories are valued at cost using the first-in, first-out method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. Donated commodities inventories are offset by unearned revenue. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**4. Capital Assets**

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

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred. Costs related to the construction of assets including engineering, legal, surveying, and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized.

Capital assets (excluding land and construction in progress) of the primary government and its component unit are depreciated using the straight-line method over estimated useful lives of the underlying assets, as shown below.

	<u><b>Estimated lives</b></u>
Buildings and improvements	50 years
Vehicles	8 years
Equipment	5 - 15 years
Buses	15 years

**5. Compensated Absences**

**A. Paid Time Off ("PTO")**

The District employees are entitled to certain compensated absences based upon their length of employment. These paid absences do not vest or accumulate and are recorded as expenditures when they are paid since employees are not eligible for unused accrued PTO.

Compensated absences are not reflected in the General Fund as the current amount due is determined to be insignificant. For those employees contracted to work a set number of days during a year, no vacation accrual accumulates.

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**5. Compensated Absences (continued)**

**B. Incentive Retirement Bonus**

Employees with a minimum of twenty years of assignments in the District, the last ten of which must have been uninterrupted service, are eligible for an incentive retirement bonus equal to one year's annual salary, based on the employee's final contract with the District. The bonus is paid over sixty equal monthly installments, without interest, commencing in September following the date of retirement. A long-term liability is reported in the government-wide financial statements for the benefits approved by the Board of Education and earned and accepted by the employees.

**6. Accrued Salaries**

Salaries and benefits to teachers and certain other employees are paid over a 12-month period but are earned over a school year of approximately nine months. The salaries earned but unpaid at June 30 are reflected in the financial statements as an accrued liability.

**7. Deferred Outflows and Inflows of Resources**

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

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet, are deferred and recognized as an inflow from resources in the period that the amounts become available. The other two items are the collective deferred inflows related to the District's net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members.

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

**8. Long-term Debt**

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**8. Long-term Debt (continued)**

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

**9. Pensions**

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

**10. Post Employment Benefits**

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

**11. Fund Balance and Fund Classifications**

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

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**11. Fund Balance and Fund Classifications (continued)**

The District classifies governmental fund balances as follows:

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

*Restricted* – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Education. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

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

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

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

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

**General Fund** - The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**11. Fund Balance and Fund Classifications (continued)**

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

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

**12. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". If the receivable or payable is not expected to be liquidated after one year, it is classified as "advances to other funds" or "advances from other funds".

**13. State Equalization Aid**

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

**F. Significant Accounting Policies**

**1. Use of Estimates**

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

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**F. Significant Accounting Policies**

**2. Credit Risk**

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

**II. Stewardship, Compliance, and Accountability**

**A. Bond Trustee**

Colorado State Statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District is holding funds in Wells Fargo bank in order to meet this requirements.

**B. Budgetary Information**

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

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for fiscal year 2024:

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



**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**II. Stewardship, Compliance, and Accountability (continued)**

**B. Budgetary Information (continued)**

Supplemental appropriations for the primary government during 2024 resulted in budget amendments as follows:

<b>Fund</b>	<b>Original Appropriation</b>	<b>Final Appropriation</b>	<b>Change</b>
General Fund	\$ 14,300,136	\$ 14,101,916	\$ 198,220
Universal Preschool Program Fund	353,740	420,215	(66,475)
Grant Fund	3,678,543	4,316,813	(638,270)
Capital Reserve Fund	717,423	687,515	29,908
Food Service Fund	925,369	1,011,609	(86,240)
The Center Fund	213,005	498,605	(285,600)
Pupil Activity Fund	308,088	332,054	(23,966)
Health Insurance Fund	2,119,200	2,574,158	(454,958)

**C. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The District has reserved \$373,000 of its June 30, 2024 fund balances for this purpose. The District's management believes it is in compliance with the financial provisions of TABOR. However, the TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

In 1996, the District's electorate approved following ballot question:

*Without increasing any tax rate or imposing any new tax shall Lake County School District R-1 be authorized to collect, keep and expend all grants from state and local governments or private sources received in the year 1996 to and including 2001 without regard to any spending, revenue-raising, or other limitation in Article X Section 20 of the Colorado Constitution or other laws of the State?*

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**II. Stewardship, Compliance, and Accountability (continued)**

**C. TABOR Amendment**

In 2003, the District's electorate approved following ballot question:

*Shall Lake County School District R-1 be authorized to collect, keep and spend all revenues from all sources as a voter approved revenue change under article X, section 20 of the Colorado Constitution?*

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

**D. Mill Levy Overrides**

In 1993, the District's electorate approved following ballot question:

*Shall the Board of Education of Lake County School District R-1 be granted authority to levy a tax for the General Fund of the District in budget year 1993-94 and for each budget year thereafter, in excess of the District's equalization program fund as established by law for the purpose of providing additional property tax revenues for education purposes in an amount not to exceed \$432,783? If the additional levy is approved, the estimated total mill levy for the General Fund of the school district for calendar year 1994 will be in an amount not to exceed 54.14 mills. If the additional levy is not approved, the estimated total mill levy for the General Fund of the school district for the calendar year 1994 will be 44.774 mills.*

In 2013, the District's electorate approved following ballot question:

*Shall Lake County School District R-1 be authorized to continue to impose and collect its existing mill levy override authorization of \$235,000 annually, which authorization was approved by the voters on November 4, 2003, after its current expiration of December 31, 2013 and shall the revenue produced by such mill levy override be used for educational and General Fund purposes of the District?*

In 2024, the District's electorate approved the following ballot question

*Shall Lake County School District No. R-1 taxes be increased up to \$1,200,000 annually commencing in collection year 2025 and in each year thereafter through December 31, 2040, and increase in any year for inflation based on the annual changes in the Denver-Boulder Consumer Price Index for general fund purposes, including but not limited to:*

- attracting and retaining quality teachers and staff*
- providing funding for facilities, maintenance and capital renewal*

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible depositories. The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance ("FDIC") on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits.

*Fair Value of Investments*

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

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

At June 30, 2024, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Local government investment pool:	
COLOTRUST	<u>\$ 2,285,188</u>

*Interest Rate Risk.* The District limits investments maturities as required by state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes require the District to limit maturities to five years from the date of purchase. Maturities of investments held at June 30, 2024 are provided in the subsequent schedule. The District coordinates its investment maturities to closely match cash flow needs.

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

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

*Local Government Investment Pool* – At June 30, 2024, the District had invested \$2,285,188 in the Colorado Government Liquid Asset Trust (“COLOTRUST”), referred to as the Trust. The Trust is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by the Trust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by the Trust. The Trust investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in the Trust at June 30, 2024, the District had invested in COLOTRUST PLUS+, which operates similarly to money market funds and each share is equal in value to \$1.

At June 30, 2024, the District had an unrealized loss of \$0, which reflects changes in the fair value of its investments. The District’s cash and investments at June 30, 2024 had the following maturities

	Rating	Carrying Amounts	Maturities	
			Less than One Year	Less than Five Years
<b>Deposits:</b>				
Checking accounts	Not rated	\$ 3,773,349	\$ 3,773,349	\$ -
<b>Investments:</b>				
Investment pools	AAAm	2,285,188	2,285,188	-
Certificates of deposit	Not rated	6,368	6,368	-
Cash with Fiscal Agent	Not rated	806,216	806,216	-
<b>Total</b>		<u>\$ 6,871,121</u>	<u>\$ 6,871,121</u>	<u>\$ -</u>

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**B. Interfund Receivables, Payables, and Transfers**

The composition of balances as of June 30, 2024 is as follows:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 193,440	\$ -
Grant fund	526,702	-
Capital Reserve Fund	-	547,087
The Center fund	-	347,755
Head start Fund	10,051	-
Food Service Fund	70,870	-
Health Insurance Fund	93,779	-
	<u>\$ 894,842</u>	<u>\$ 894,842</u>

Interfund balances at June 30, 2024 represent allocations of resources based upon Board of Education adopted budgetary policies or as a result of interfund services provided. These remaining balances resulted from the time lag between the dates that transactions are recorded in the accounting period, and payments between funds are made.

Interfund transfers during 2024 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ (655,000)
Capital reserve fund	59,000	-
Food service fund	230,000	-
Health Insurance Fund	366,000	-
	<u>\$ 655,000</u>	<u>\$ (655,000)</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service. All District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

During the year ended June 30, 2024, the District made the following significant one-time transfers:

1. A transfer of \$366,000 from the General Fund to the Health Insurance Fund to subsidize the anticipated claims expenses that would exceed premium revenues.
2. A transfer of \$230,000 from the General Fund to the Food Service Fund for food service operations.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**C. Receivables**

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

	<b>General Fund</b>	<b>Grant Fund</b>	<b>Bond Redemption Fund</b>
Taxes	\$ 698,447	\$ -	\$ 133,052
Intergovernmental	224,506	691,906	-
Gross Receivables	<u>922,953</u>	<u>691,906</u>	<u>133,052</u>
Less: Allowance for uncollectibles	-	-	-
<b>Net Receivables</b>	<u><u>\$ 922,953</u></u>	<u><u>\$ 691,906</u></u>	<u><u>\$ 133,052</u></u>

	<b>Non-major Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Total</b>
Taxes	\$ -	\$ -	\$ 831,499
Intergovernmental	113,087	-	1,029,499
Other	-	64,138	64,138
Gross Receivables	<u>113,087</u>	<u>64,138</u>	<u>1,925,136</u>
Less: Allowance for uncollectibles	-	-	-
<b>Net Receivables</b>	<u><u>\$ 113,087</u></u>	<u><u>\$ 64,138</u></u>	<u><u>\$ 1,925,136</u></u>

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 431,995	\$ -	\$ (5,000)	\$ 426,995
Construction in progress	34,535,683	-	(34,535,683)	-
Total capital assets not depreciated	34,967,678	-	(34,540,683)	426,995
Capital assets being depreciated:				
Building	45,990,960	34,552,334	-	80,543,294
Vehicles	2,193,622	-	(122,029)	2,071,593
Equipment	583,971	112,676	(8,448)	688,199
Total capital assets being depreciated	48,768,553	34,665,010	(130,477)	83,303,086
Less accumulated depreciation:				
Building	(17,707,988)	(1,735,654)	-	(19,443,642)
Vehicles	(1,480,638)	(127,338)	122,029	(1,485,947)
Equipment	(414,447)	(52,388)	8,448	(458,387)
Total accumulated depreciation	(19,603,073)	(1,915,380)	130,477	(21,387,976)
<b>Governmental Activities - Capital Asset, Net</b>	<u>\$ 64,133,158</u>	<u>\$ 32,749,630</u>	<u>\$ (34,540,683)</u>	<u>\$ 62,342,105</u>

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental activities:</b>	
Direct instruction	\$ 1,751,381
Indirect instruction	4,346
Transportation	98,280
Custodial and maintenance	14,099
Support services	41,489
General administration	2,381
Food service	3,404
<b>Total</b>	<u>\$ 1,915,380</u>

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**E. Long-term Debt**

The District has the following long-term debt outstanding for governmental activities:

**1. 2012 General Obligation Bonds**

The District issued \$11,396,379 of General Obligation Bonds (the "Series 2012 Bonds") dated December 6, 2012. Proceeds from the 2012 Bonds were used to finance improvements to District facilities.

The interest rates on the Series 2012 Bonds is 3.005898% and is payable semi-annually on June 1 and December 1, 2013, through 2032. The Series 2012 Bonds is subject to redemption prior to maturity at the option of the District, in whole but not in part, on December 1, 2022, and on any date thereafter, at a redemption price equal to the principal amount thereof and a redemption premium of 3% of the principal amount so redeemed, plus accrued interest to the redemption date.

**2. 2019 General Obligation Bonds**

In 2019 the District received approval from the electorate to issue debt totaling \$13,870,450, which combined with a BEST grant, is being used to construct Lake County Elementary School. The District issued \$13,870,446 of General Obligation Bonds (the "2019 Bonds") dated December 5, 2019. The Ballot question also allows the District to levy Ad Valorem Property taxes in an amount not to exceed \$1,115,000 annually. As allowed by the ballot question, the District is reserving taxes received in excess of the principal and interest payment on the 2019 bonds to apply towards future debt payments.

The interest rates on the Series 2019 Bonds is 2.952% and is payable semi-annually on June 1 and December 1, 2020 through 2039. The Series 2019 Bonds is subject to redemption prior to maturity at the option of the District, in whole but not in part, on December 1, 2029 and on any date thereafter, at a redemption price equal to the principal amount thereof and a redemption premium of 3% of the principal amount so redeemed, plus accrued interest to the redemption date.

**3. Bus Financing**

The District entered into an agreement for financing of a bus purchase on August 29, 2019. The payments are due on an annual basis beginning on June 26, 2020 with a final payment due on June 26, 2024. The interest rate on the lease is 2.98%. The lease is dependent on re-appropriation on an annual basis and does not represent an ongoing obligation for the District in compliance with TABOR. The total amount financed for the purchase is \$98,903. The balance on the financing agreement had been paid in full as of June 3, 2024.



**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

**E. Long-term Debt (continued)**

**4. Annual Debt Service Requirements – General Obligation Bonds**

Debt service requirements to maturity for general obligation bonds associated with the District's governmental activities are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,169,453	\$ 507,175	\$ 1,676,628
2025	1,204,291	471,817	1,676,108
2026	1,240,168	435,406	1,675,574
2027	1,277,113	397,911	1,675,024
2028	1,315,159	359,298	1,674,457
2029-2033	6,421,230	1,187,325	7,608,555
2034-2038	4,133,252	445,159	4,578,411
2039-2040	901,278	13,303	914,581
<b>Totals</b>	<b>\$ 17,661,944</b>	<b>\$ 3,817,394</b>	<b>\$ 21,479,338</b>

**5. Changes in Long-term Liabilities**

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	<b>July 1, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2024</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
General Obligation Bonds:					
GO Bonds, Series 2012	\$ 6,533,590	\$ -	\$ (569,771)	\$ 5,963,819	\$ 586,898
GO Bonds, Series 2019	12,263,976	-	(565,851)	11,698,125	582,555
Bus financing agreement	20,885	-	(20,885)	-	-
Incentive retirement bonus liability	228,022	-	(41,746)	186,276	104,377
Net pension liability	20,994,132	6,132,838	-	27,126,970	-
Net OPEB liability	713,685	-	(58,678)	655,007	-
<b>Total Governmental Activities</b>	<b>\$ 40,754,290</b>	<b>\$ 6,132,838</b>	<b>\$ (1,256,931)</b>	<b>\$ 45,630,197</b>	<b>\$ 1,273,830</b>

The general obligation bonds are paid from the Bond Redemption Fund.

The incentive retirement bonus liability will be paid from the following funds in which employees' salaries are paid: General Fund, Designated-Purpose Grant Fund, Head Start Fund, Preschool Fund, Childcare Center Fund, and Food Service Fund.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

*Plan Description:* Eligible employees of the District are provided with pensions through the 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](http://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:

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

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

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

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

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

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

*Benefits provided as of December 31, 2023 (continued):*

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

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

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

*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 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	<b>July 1, 2023 through June 30, 2024</b>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	
Amount apportioned to the SCHDTF	10.38%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

*Contributions provisions as of June 30, 2024 (continued):*

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 \$2,050,709 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 a \$225 million 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.

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability 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 total pension liability 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 the State as a nonemployer contributing entity.

At June 30, 2024, the District reported a liability of \$- for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 27,126,970
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>582,051</u>
Total	<u><u>\$ 27,709,021</u></u>

At December 31, 2023, the District's proportion was 0.1534%, which was an increase of 0.0381% from its proportion of 0.1153% measured as of December 31, 2022.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

*Contributions provisions as of June 30, 2024 (continued):*

For the year ended June 30, 2024, the District recognized pension expense of \$1,297,986 and revenue of \$55,677 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,286,332	\$ -
Net difference between projected and actual earnings on pension plan investments	1,944,582	-
Changes in proportionate share of contributions	4,071,504	1,390,507
Contributions subsequent to the measurement date	983,372	-
Total	<u>\$ 8,285,790</u>	<u>\$ 1,390,507</u>

\$983,372, reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date of December 31, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025 measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2025	\$ 1,241,079
2026	2,820,171
2027	2,392,860
2028	(542,199)
<b>Total</b>	<u>\$ 5,911,911</u>

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40% - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

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

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

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

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

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

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

*Actuarial Assumptions (continued)*

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

The actuarial assumptions used in the December 31, 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 regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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%.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

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

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



**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

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

*Discount rate (continued)*

- 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.

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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension liability	\$ 36,273,274	\$ 27,126,970	\$ 19,500,063

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources**

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the 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 ACFR that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the 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 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$102,635 for the year ended June 30, 2024.

*Liabilities:* At June 30, 2024, the District reported a liability of \$655,007 for its proportionate share of net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the District proportion was 0.0918%, which was an increase of 0.0044% from its proportion of 0.0874% measured as of December 31, 2022.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the District recognized OPEB expense (credit) of \$(86,544). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expenses and actual experience	\$ -	\$ 134,250
Change of assumptions or other inputs	7,702	69,453
Net difference between projected and actual earnings on plan investments	20,258	-
Changes in proportionate share of contributions	72,488	8,090
Contributions subsequent to measurement date	13,629	-
	<u>\$ 114,077</u>	<u>\$ 211,793</u>

\$13,629, reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	<b>Amortization</b>
2025	\$ (61,588)
2026	(23,646)
2027	(4,123)
2028	(22,083)
2029	(1,461)
Thereafter	1,556
<b>Total</b>	<u>\$ (111,345)</u>

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans <sup>1</sup>	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

<sup>1</sup>UnitedHealthcare MAPD PPO Plans are 0% for 2023.

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.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued)*

**Age-Related Morbidity Assumptions**

<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

<b>Sample Age</b>	<b>MAPD PPO #1 with Medicare Part A Retiree/Spouse</b>		<b>MAPD PPO #2 with Medicare Part A Retiree/Spouse</b>		<b>MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$ 1,692	\$ 1,406	\$ 579	\$ 481	\$ 1,913	\$ 1,589
70	1,901	1,573	650	538	2,149	1,778
75	2,100	1,653	718	566	2,374	1,869

<b>Sample Age</b>	<b>MAPD PPO #1 without Medicare Part A Retiree/Spouse</b>		<b>MAPD PPO #2 without Medicare Part A Retiree/Spouse</b>		<b>MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$ 6,469	\$ 5,373	\$ 4,198	\$ 3,487	\$ 6,719	\$ 5,581
70	7,266	6,011	4,715	3,900	7,546	6,243
75	8,026	6,319	5,208	4,101	8,336	6,563

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.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued)*

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
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.

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

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (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 State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

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

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

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

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

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



**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued)*

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

- Per capita health care costs in effect as of the December 31, 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, valuations were based on 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.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued)*

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

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

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

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 636,208	\$ 655,007	\$ 675,457

<sup>1</sup>For the January 1, 2024, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Discount rate (continued)*

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- 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 HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

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

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 773,646	\$ 655,007	\$ 553,512

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

**IV. Other Information**

**A. Defined Contribution Pension Plan**

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

*Funding Policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the year ended June 30, 2024.

**B. Risk Management**

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

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**IV. Other Information (continued)**

**C. Health Insurance**

The District has adopted a plan for self-insurance of health and dental benefits for employees which is administered by a third party administrator. The plan provides for the District to pay all allowable health expenses up to \$50,000 annually, for each insured, with all claims for each insured in excess of \$50,000 insured by a "stop-loss" insurance policy. An aggregate overall stop-loss per calendar year, based on a calculation of monthly attachment points, exists under the plan. Claim payments are based specific claims expenses. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims, if any. Unpaid claims at year end include all allocated claims adjustment expenditures.

A third party stop-loss provider has been contracted to provide coverage of any claims against the self-funded plan in excess of \$50,000 individually, or \$1,489,242 in the aggregate. Although management believes the third party stop-loss provider is financially stable, the District may be held liable for excess loss reimbursement due under this policy if it became insolvent

Incurred but not reported claims are recorded as a liability of the Health Insurance Internal Service Fund. At June 30, 2024, these claims were estimated by the administrator to be \$64,407.

	<b>Year ended 6/30/23</b>	<b>Year ended 6/30/24</b>
Unpaid claims, beginning of fiscal year	202,651	\$ 52,068
Incurred claims	\$ 1,664,278	1,620,796
Claim payments	(1,814,861)	(1,608,457)
Unpaid claims, end of fiscal year	<u>\$ 52,068</u>	<u>\$ 64,407</u>

The District purchased an excess loss policy from Companion Life Insurance Company (the "CLIC") for the year ended June 30, 2024 for losses greater than \$50,000, per employee, subject to no maximum individual lifetime reimbursement and aggregate maximum per coverage period of \$1,000,000.

**D. Pupil Counts**

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

**Lake County School District  
Notes to the Financial Statements  
June 30, 2024  
(Continued)**

---

**V. Other Information (continued)**

**D. Pupil Counts (continued)**

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

The District believes its pupil count information is accurate and any adjustment would not be material.

**E. Claims and Contingencies**

**1. Legal Claims**

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2024.

**2. Federal Programs**

Funds received from Federal grants are subject to audit and disallowance of ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2024.

**3. State Programs**

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

**4. Significant taxpayer**

The assessed properties within the boundaries of Lake County include one taxpayer that represents approximately 30% of the total taxable assessed valuation of the County. Non-payment of taxes by this taxpayer would materially affect the revenues of the District.

**Lake County School District**  
**Notes to the Financial Statements**  
**June 30, 2024**  
**(Continued)**

---

**IV. Other Information (continued)**

**F. Jointly Governed Organization – BOCES**

The District is a participant among three other districts and the Colorado Mountain College in a jointly governed organization to operate the Mountain Board of Cooperative Educational Services (the "BOCES"). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. The BOCES is governed by a board of directors consisting of a member of the Board of Education and the superintendent from each of the participating members. For the year ended June 30, 2024, the District paid assessments totaling \$212,269 to the BOCES.

The BOCES has issued its own audited financial statements for the year ended June 30, 2023, the latest available data. The following summary information is presented:

Assets	\$ 1,578,717
Deferred Outflows of Resources	528,689
Liabilities	1,948,255
Deferred Inflows of Resources	48,276
Net Position	<u>\$ 110,875</u>
Expenses	\$ (3,894,819)
Program Revenues	3,888,628
General Revenues	28,018
Change in Net Position	<u>21,827</u>
Net Position - Beginning	89,048
Net Position - Ending	<u>\$ 110,875</u>

**G. State Loan Program**

During the year ended June 30, 2024, the District borrowed \$6,703,235 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full during fiscal year 2024, from property taxes received in February and March.

**Required Supplementary Information**





**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**General Fund (including Universal Preschool Program Sub-Fund)**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
General property taxes	\$ 11,278,383	\$ 10,432,730	\$ 10,071,077	\$ (361,653)
Specific ownership taxes	438,729	438,729	522,872	84,143
Investment income	2,500	82,000	94,130	12,130
Other revenue	195,284	192,959	283,562	90,603
Intermediate sources	20,000	33,100	33,098	(2)
State sources	1,503,005	2,192,957	2,024,800	(168,157)
Federal sources	296,231	470,674	496,499	25,825
<b>Total Revenues</b>	<b>13,734,132</b>	<b>13,843,149</b>	<b>13,526,038</b>	<b>(317,111)</b>
<b>Expenditures:</b>				
Direct instruction	8,489,594	8,586,258	8,244,245	342,013
Indirect instruction	934,097	861,050	687,853	173,197
Transportation	492,313	489,534	432,162	57,372
Custodial and maintenance	1,856,157	1,781,762	1,780,422	1,340
Support services	754,294	732,621	711,314	21,307
General administration	1,579,578	1,526,263	1,489,890	36,373
Community service	12,243	12,243	2,719	9,524
Capital outlay	30,600	27,400	4,231	23,169
Contingency	505,000	505,000	-	505,000
<b>Total Expenditures</b>	<b>14,653,876</b>	<b>14,522,131</b>	<b>13,352,836</b>	<b>1,169,295</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(919,744)</b>	<b>(678,982)</b>	<b>173,202</b>	<b>852,184</b>
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	(686,879)	(655,000)	(655,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(686,879)</b>	<b>(655,000)</b>	<b>(655,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,606,623)</b>	<b>(1,333,982)</b>	<b>(481,798)</b>	<b>852,184</b>
<b>Fund Balance - Beginning of the Year Budget Basis</b>	<b>2,992,168</b>	<b>2,991,379</b>	<b>2,991,378</b>	<b>(1)</b>
<b>Fund Balance - End of the Year Budget Basis</b>	<b>\$ 1,385,545</b>	<b>\$ 1,657,397</b>	<b>2,509,580</b>	<b>\$ 852,183</b>
<b>Reconciliation to GAAP Basis:</b>				
Pension direct distribution - Special funding			(45,319)	(521,700)
Pension expense - Special funding			45,319	521,700
<b>Fund Balance - End of Year GAAP Basis:</b>			<b>\$ 2,509,580</b>	<b>\$ 2,991,378</b>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Special Revenue Fund**  
**Designated-Purpose Grant Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Federal sources	\$3,173,512	\$3,545,197	\$2,819,301	\$ (725,896)
State sources	217,984	481,702	329,290	(152,412)
Other revenue	50,168	49,708	15,911	(33,797)
<b>Total Revenues</b>	<u>3,441,664</u>	<u>4,076,607</u>	<u>3,164,502</u>	<u>(912,105)</u>
<b>Expenditures:</b>				
Direct instruction	1,862,088	1,835,708	1,288,729	546,979
Indirect instruction	1,580,562	2,409,324	1,805,320	604,004
Transportation	16,465	14,086	14,816	(730)
Custodial and maintenance	-	-	-	-
Support services	37,433	17,000	11,899	5,101
Capital outlay	40,695	40,695	43,738	(3,043)
<b>Total Expenditures</b>	<u>3,678,543</u>	<u>4,316,813</u>	<u>3,164,502</u>	<u>1,152,311</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(236,879)</u>	<u>(240,206)</u>	<u>-</u>	<u>240,206</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	236,879	240,206	-	(240,206)
<b>Total Other Financing Sources (Uses)</b>	<u>236,879</u>	<u>240,206</u>	<u>-</u>	<u>(240,206)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of the Year</b>	-	-	-	-
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

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

<b>For the measurement date of December 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
District's portion of the net pension liability	0.1534%	0.1153%	0.1344%	0.1488%	0.1255%
District's proportionate share of the net pension liability	27,126,970	20,994,132	15,641,510	22,498,456	18,751,415
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	582,051	4,737,381	1,766,335	-	2,378,379
Total proportionate share of the net pension liability associated with the District	<u>27,709,021</u>	<u>25,731,513</u>	<u>17,407,845</u>	<u>22,498,456</u>	<u>21,129,794</u>
District's covered payroll	10,141,351	8,973,291	8,400,054	7,957,610	7,374,222
District's proportionate share of the net pension liability as a percentage of its covered payroll	267%	234%	186%	283%	254%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%
<b>For the measurement date of December 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's portion of the net pension liability	0.1254%	0.1397%	0.1468%	0.1460%	0.1444%
District's proportionate share of the net pension liability	22,198,702	45,171,535	43,717,274	22,387,081	19,569,347
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	3,035,364	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>25,234,066</u>	<u>45,171,535</u>	<u>43,717,274</u>	<u>22,387,081</u>	<u>19,569,347</u>
District's covered payroll	6,911,090	6,679,965	6,590,004	6,363,878	6,049,167
District's proportionate share of the net pension liability as a percentage of its covered payroll	321%	676%	315%	315%	324%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.16%	62.80%

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

<b>Fiscal year-ended June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 2,050,709	\$ 2,008,721	\$ 1,755,749	\$ 1,634,851	\$ 1,493,088
Contributions in relation to the contractually required contribution	<u>\$ (2,050,709)</u>	<u>\$ (2,008,721)</u>	<u>\$ (1,755,749)</u>	<u>\$ (1,634,851)</u>	<u>\$ (1,493,088)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,062,280	\$ 9,856,334	\$ 8,620,889	\$ 8,223,598	\$ 7,704,255
Contributions as a percentage of covered payroll	20.38%	20.38%	20.37%	19.88%	19.38%
 <b>Fiscal year-ended June 30,</b>	 <b>2019</b>	 <b>2018</b>	 <b>2017</b>	 <b>2016</b>	 <b>2015</b>
Contractually required contribution	\$ 1,354,436	\$ 1,329,727	\$ 1,235,169	\$ 1,233,696	\$ 1,120,600
Contributions in relation to the contractually required contribution	<u>\$ (1,354,436)</u>	<u>\$ (1,329,727)</u>	<u>\$ (1,235,169)</u>	<u>\$ (1,233,696)</u>	<u>\$ (1,120,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,080,166	\$ 6,679,965	\$ 6,366,791	\$ 6,571,617	\$ 6,256,642
Contributions as a percentage of covered payroll	19.13%	19.91%	19.40%	18.77%	17.91%

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

<b>For the measurement date of December 31,</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
District's proportion of the net OPEB liability	0.0918%	0.0874%	0.0878%	0.0861%	0.0820%
District's proportionate share of the net OPEB liability	655,007	713,685	756,742	817,686	921,881
District's covered payroll	10,141,351	8,973,291	8,400,054	7,957,610	7,374,222
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.46%	7.95%	9.01%	10.28%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%
<b>For the measurement date of December 31,</b>	<b>2018</b>	<b>2017</b>			
District's proportion of the net OPEB liability	0.0814%	0.0794%			
District's proportionate share of the net OPEB liability	1,107,707	1,031,527			
District's covered payroll	6,911,090	6,679,965			
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.03%	15.44%			
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	18.00%			

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2018.

**Lake County School District**  
**Schedule of District Other Post-Employment Benefits Contributions**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

<b>Fiscal year-ended June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 102,635	\$ 100,535	\$ 87,933	\$ 83,881	\$ 78,583
Contributions in relation to the contractually required contribution	<u>\$ (102,635)</u>	<u>\$ (100,535)</u>	<u>\$ (87,933)</u>	<u>\$ (83,881)</u>	<u>\$ (78,583)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,062,280	\$ 9,856,334	\$ 8,620,889	\$ 8,223,598	\$ 7,704,255
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

<b>Fiscal year-ended June 30,</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 72,218	\$ 68,135
Contributions in relation to the contractually required contribution	<u>\$ (72,218)</u>	<u>\$ (68,135)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,080,166	\$ 6,679,965
Contributions as a percentage of covered payroll	1.02%	1.02%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end.  
Information is only available beginning in fiscal year 2018.

**Lake County School District  
Notes to the Required Supplementary Information  
June 30, 2024**

---

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

**A. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2022 actuarial valuation:**

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

**2. Changes since the December 31, 2021 actuarial valuation:**

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

**3. Changes since the December 31, 2020 actuarial valuation:**

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

**4. Changes since the December 31, 2019 actuarial valuation:**

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

**5. Changes since the December 31, 2018 actuarial valuation:**

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

**Lake County School District**  
**Notes to the Required Supplementary Information**  
**June 30, 2024**  
**(Continued)**

---

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

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

**6. Changes since the December 31, 2017 actuarial valuation:**

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

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

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

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

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

**9. Changes since the December 31, 2014 actuarial valuation:**

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit



**Lake County School District**  
**Notes to the Required Supplementary Information**  
**June 30, 2024**  
**(Continued)**

---

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

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

**10. Changes since the December 31, 2014 actuarial valuation (continued):**

- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

**B. Changes of benefit terms**

No changes during the years presented.

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

No changes during the years presented.

**II. Notes to the Schedule of District Pension Contributions**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit terms**

No changes during the years presented.

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

No changes during the years presented.

**III. Schedule of the District's Proportionate Share of the OPEB Liability**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit term**

No changes during the years presented.

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

No changes during the years presented.

**Lake County School District**  
**Notes to the Required Supplementary Information**  
**June 30, 2024**  
**(Continued)**

---

**IV. Notes to the Schedule of School OPEB Contributions**

**A. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2022 actuarial valuation:**

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

**2. Changes since the December 31, 2021 actuarial valuation:**

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

**3. Changes since the December 31, 2020 actuarial valuation:**

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

**4. Changes since the December 31, 2019 actuarial valuation:**

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.4 above.

**B. Changes of benefit terms**

No changes during the years presented.

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

No changes during the years presented.

**Supplementary Information**



**Lake County School District**  
**Combining Balance Sheet**  
**General Fund and Related Sub-Fund**  
**June 30, 2024**

	<b>General Fund</b>	<b>Universal Preschool Program Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments	\$ 2,848,577	\$ 139,288	\$ 2,987,865
Taxes receivable	698,447	-	698,447
Due from other governments	189,761	34,745	224,506
<b>Total Assets</b>	<b>\$ 3,736,785</b>	<b>\$ 174,033</b>	<b>\$ 3,910,818</b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 63,803	\$ 804	\$ 64,607
Accrued salaries and benefits	616,499	45,568	662,067
Due to other funds	146,999	46,441	193,440
Unearned revenue	57,822	-	57,822
<b>Total Liabilities</b>	<b>885,123</b>	<b>92,813</b>	<b>977,936</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable property taxes	423,302	-	423,302
<b>Fund Balances:</b>			
Restricted for:			
Colorado Preschool Program Reserve	-	81,220	81,220
TABOR Reserve	373,000	-	373,000
Unassigned	2,055,360	-	2,055,360
<b>Total Fund Balances</b>	<b>2,428,360</b>	<b>81,220</b>	<b>2,509,580</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,736,785</b>	<b>\$ 174,033</b>	<b>\$ 3,910,818</b>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund and Related Sub-Fund**  
**For the Year Ended June 30, 2024**

	<b>General Fund</b>	<b>Universal Preschool Program Fund</b>	<b>Total</b>
<b>Revenues:</b>			
Local sources:			
General property taxes	\$ 10,071,077	\$ -	\$ 10,071,077
Specific ownership taxes	522,872	-	522,872
Investment income	94,130	-	94,130
Other revenue	283,562	-	283,562
Intermediate sources	33,098	-	33,098
State sources	1,623,764	401,036	2,024,800
Federal sources	496,499	-	496,499
<b>Total Revenues</b>	<u>13,125,002</u>	<u>401,036</u>	<u>13,526,038</u>
<b>Expenditures:</b>			
Direct instruction	7,867,005	377,240	8,244,245
Indirect instruction	687,853	-	687,853
Transportation	432,162	-	432,162
Custodial and maintenance	1,750,940	29,482	1,780,422
Support services	711,314	-	711,314
General administration	1,476,396	13,494	1,489,890
Community service	2,719	-	2,719
Capital outlay	4,231	-	4,231
<b>Total Expenditures</b>	<u>12,932,620</u>	<u>420,216</u>	<u>13,352,836</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>192,382</u>	<u>(19,180)</u>	<u>173,202</u>
<b>Other Financing Sources (Uses):</b>			
Transfers (out)	(655,000)	-	(655,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(655,000)</u>	<u>-</u>	<u>(655,000)</u>
<b>Net Change in Fund Balance</b>	(462,618)	(19,180)	(481,798)
<b>Fund Balances - Beginning of Year</b>	<u>2,890,978</u>	<u>100,400</u>	<u>2,991,378</u>
<b>Fund Balances - End of Year</b>	<u><u>\$ 2,428,360</u></u>	<u><u>\$ 81,220</u></u>	<u><u>\$ 2,509,580</u></u>

The accompanying notes are an integral part of this statement.

Lake County School District  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

	Special Revenue Funds				Capital Projects Funds		Total Non-Major Governmental Funds
	Food Service Fund	Center Fund	Pupil Activity Fund	Head Start Fund	Building Fund	Capital Reserve Fund	
<b>Assets:</b>							
Cash and cash equivalents	\$ -	\$ 10,502	\$ 380,590	\$ -	\$ 180,642	\$ -	\$ 571,734
Intergovernmental	70,366	3,527	-	39,194	-	-	113,087
Due from other funds	-	347,755	-	-	-	547,087	894,842
Inventories and prepaid expenses	5,201	-	-	-	-	-	5,201
<b>Total Assets</b>	<u>\$ 75,567</u>	<u>\$ 361,784</u>	<u>\$ 380,590</u>	<u>\$ 39,194</u>	<u>\$ 180,642</u>	<u>\$ 547,087</u>	<u>\$ 1,584,864</u>
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ -	\$ 241	\$ -	\$ 3,273	\$ -	\$ -	\$ 3,514
Accrued salaries and benefits	9,292	607	-	25,870	-	-	35,769
Due to other funds	70,870	-	-	10,051	-	-	80,921
Unearned revenue	-	68,985	-	-	-	-	68,985
<b>Total Liabilities</b>	<u>80,162</u>	<u>69,833</u>	<u>-</u>	<u>39,194</u>	<u>-</u>	<u>-</u>	<u>189,189</u>
<b>Fund Balances:</b>							
Non-spendable:							
Inventories	5,201	-	-	-	-	-	5,201
Restricted for:							
BEST Capital Renewal Reserve	-	-	-	-	-	353,050	353,050
Committed for:							
Capital projects	-	-	-	-	180,642	194,037	374,679
Assigned for:							
Student activities	-	-	380,590	-	-	-	380,590
Childcare	-	291,951	-	-	-	-	291,951
Unassigned	(9,796)	-	-	-	-	-	(9,796)
<b>Total Fund Balances</b>	<u>(4,595)</u>	<u>291,951</u>	<u>380,590</u>	<u>-</u>	<u>180,642</u>	<u>547,087</u>	<u>1,395,675</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 75,567</u>	<u>\$ 361,784</u>	<u>\$ 380,590</u>	<u>\$ 39,194</u>	<u>\$ 180,642</u>	<u>\$ 547,087</u>	<u>\$ 1,584,864</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds				Capital Projects Funds		Total Non-Major Governmental Funds
	Food Service Fund	Center Fund	Pupil Activity Fund	Head Start Fund	Building Fund	Capital Reserve Fund	
<b>Revenues:</b>							
Local sources:							
Charges for services	\$ 41,860	\$ 202,028	\$ 235,195	\$ -	\$ -	\$ -	\$ 479,083
Other revenue	-	118,249	-	-	-	-	118,249
Intermediate sources	-	-	-	-	-	26,780	26,780
State sources	191,541	-	-	-	-	11,929	203,470
Federal sources	532,473	39,503	-	801,266	-	-	1,373,242
<b>Total Revenues</b>	<u>765,874</u>	<u>359,780</u>	<u>235,195</u>	<u>801,266</u>	<u>-</u>	<u>38,709</u>	<u>2,200,824</u>
<b>Expenditures:</b>							
Direct instruction	-	7,347	-	-	-	-	7,347
Indirect instruction	-	-	-	6,980	-	-	6,980
Transportation	-	-	-	25,989	-	-	25,989
Custodial and maintenance	-	7,772	-	25,151	-	-	32,923
Community service	-	158,432	-	743,146	-	-	901,578
Food service operations	1,000,469	-	-	-	-	-	1,000,469
Student activities	-	-	186,659	-	-	-	186,659
Debt service:							
Principal	-	-	-	-	-	20,886	20,886
Interest	-	-	-	-	-	573	573
Capital outlay	-	-	-	-	-	118,895	118,895
<b>Total Expenditures</b>	<u>1,000,469</u>	<u>173,551</u>	<u>186,659</u>	<u>801,266</u>	<u>-</u>	<u>140,354</u>	<u>2,302,299</u>
<b>Excess (Deficiency) or Revenues Over Expenditures</b>	<u>(234,595)</u>	<u>186,229</u>	<u>48,536</u>	<u>-</u>	<u>-</u>	<u>(101,645)</u>	<u>(101,475)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers in	230,000	-	-	-	-	59,000	289,000
<b>Total Other Financing Sources (Uses)</b>	<u>230,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,000</u>	<u>289,000</u>
<b>Net Change in Fund Balance</b>	<u>(4,595)</u>	<u>186,229</u>	<u>48,536</u>	<u>-</u>	<u>-</u>	<u>(42,645)</u>	<u>187,525</u>
<b>Fund Balance - Beginning of the Year</b>	<u>-</u>	<u>105,722</u>	<u>332,054</u>	<u>-</u>	<u>180,642</u>	<u>589,732</u>	<u>1,208,150</u>
<b>Fund Balance (Deficit) - End of the Year</b>	<u>\$ (4,595)</u>	<u>\$ 291,951</u>	<u>\$ 380,590</u>	<u>\$ -</u>	<u>\$ 180,642</u>	<u>\$ 547,087</u>	<u>\$ 1,395,675</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
General property taxes	\$ 1,904,148	\$ 1,904,148	\$ 1,859,314	\$ (44,834)
Other revenue	-	-	129,784	129,784
<b>Total Revenues</b>	<u>1,904,148</u>	<u>1,904,148</u>	<u>1,989,098</u>	<u>84,950</u>
<b>Expenditures:</b>				
Debt service:				
Principal	1,135,622	1,135,622	1,135,622	-
Interest	541,510	541,510	541,509	1
<b>Total Expenditures</b>	<u>1,677,132</u>	<u>1,677,132</u>	<u>1,677,131</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	227,016	227,016	311,967	84,951
<b>Fund Balance - Beginning of the Year</b>	(227,016)	(227,016)	2,942,007	3,169,023
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,253,974</u>	<u>\$ 3,253,974</u>

The accompanying notes are an integral part of this statement.



Lake County School District  
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)  
Building Fund  
For the Year Ended June 30, 2024  
(With Comparative Totals For the Year Ended 2023)

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
State sources	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,780</u>
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,462,635</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of the Year</b>	-	-	180,642	180,642
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,642</u>	<u>\$ 180,642</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Capital Reserve Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
<b>Revenues:</b>					
Intermediate sources	\$ -	\$ 26,854	\$ 26,780	\$ (74)	\$ 13,421
State sources	23,857	11,929	11,929	-	11,929
Federal sources	118,000	-	-	-	117,809
<b>Total Revenues</b>	<u>141,857</u>	<u>38,783</u>	<u>38,709</u>	<u>(74)</u>	<u>143,159</u>
<b>Expenditures:</b>					
Debt service:					
Principal	19,126	19,126	20,886	(1,760)	20,282
Interest	2,382	2,382	573	1,809	1,226
Capital outlay	342,865	312,957	118,895	194,062	318,057
Reserve expenditures	353,050	353,050	-	353,050	-
<b>Total Expenditures</b>	<u>717,423</u>	<u>687,515</u>	<u>140,354</u>	<u>547,161</u>	<u>339,565</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(575,566)</u>	<u>(648,732)</u>	<u>(101,645)</u>	<u>547,087</u>	<u>(196,406)</u>
<b>Other Financing Sources (uses)</b>					
Transfers in	250,000	59,000	59,000	-	376,034
<b>Total Other Financing Sources (uses)</b>	<u>250,000</u>	<u>59,000</u>	<u>59,000</u>	<u>-</u>	<u>376,034</u>
<b>Net Change in Fund Balance</b>	<u>(325,566)</u>	<u>(589,732)</u>	<u>(42,645)</u>	<u>547,087</u>	<u>179,628</u>
<b>Fund Balance - Beginning of the Year</b>	<u>689,571</u>	<u>589,732</u>	<u>589,732</u>	<u>-</u>	<u>410,104</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 353,050</u>	<u>\$ 353,050</u>	<u>\$ 547,087</u>	<u>\$ 547,087</u>	<u>\$ 589,732</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Food Service Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
Food service charges	\$ 3,000	\$ 3,000	\$ 41,860	\$ 38,860
Other revenue	37,000	31,000	-	(31,000)
State sources	135,940	207,334	191,541	(15,793)
Federal sources	552,429	543,275	532,473	(10,802)
<b>Total Revenues</b>	<b>728,369</b>	<b>784,609</b>	<b>765,874</b>	<b>(18,735)</b>
<b>Expenditures:</b>				
Food service operations:				
Salaries and employee benefits	575,939	563,561	580,285	(16,724)
Supplies	10,000	10,000	7,738	2,262
Other	1,500	1,500	1,646	(146)
Food costs	337,930	436,548	410,800	25,748
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>925,369</b>	<b>1,011,609</b>	<b>1,000,469</b>	<b>11,140</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(197,000)</b>	<b>(227,000)</b>	<b>(234,595)</b>	<b>(7,595)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	200,000	230,000	230,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>200,000</b>	<b>230,000</b>	<b>230,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>3,000</b>	<b>3,000</b>	<b>(4,595)</b>	<b>(7,595)</b>
<b>Fund Balance - Beginning of the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance (Deficit) - End of the Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,595)</b>	<b>\$ (7,595)</b>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**The Center Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
Tuition and fees	\$ 115,200	\$ 210,000	\$ 202,028	\$ (7,972)
Other revenue	38,000	130,276	118,249	(12,027)
Federal sources	4,805	52,607	39,503	(13,104)
<b>Total Revenues</b>	<u>158,005</u>	<u>392,883</u>	<u>359,780</u>	<u>(33,103)</u>
<b>Expenditures:</b>				
Direct instruction	4,805	7,347	7,347	-
Custodial and maintenance	6,150	28,295	7,772	20,523
General administration	-	-	-	-
Community service	202,050	462,963	158,432	304,531
<b>Total Expenditures</b>	<u>213,005</u>	<u>498,605</u>	<u>173,551</u>	<u>325,054</u>
<b>Net Change in Fund Balance</b>	(55,000)	(105,722)	186,229	291,951
<b>Fund Balance - Beginning of the Year</b>	<u>55,000</u>	<u>105,722</u>	<u>105,722</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,951</u>	<u>\$ 291,951</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Pupil Activity Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
Student activity fees	\$ 308,088	\$ 332,054	\$ 235,195	\$ (96,859)
<b>Total Revenues</b>	<u>308,088</u>	<u>332,054</u>	<u>235,195</u>	<u>(96,859)</u>
<b>Expenditures:</b>				
Student activities	308,088	332,054	186,659	145,395
<b>Total Expenditures</b>	<u>308,088</u>	<u>332,054</u>	<u>186,659</u>	<u>145,395</u>
<b>Net Change in Fund Balance</b>	-	-	48,536	48,536
<b>Fund Balance - Beginning of the Year</b>	-	-	332,054	332,054
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,590</u>	<u>\$ 380,590</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)**  
**Head Start Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024			2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative) Actual Amounts
<b>Revenues:</b>				
Local sources:				
Other revenue	\$ 186,591	\$ 186,591	\$ -	\$ (186,591)
Federal sources	746,360	746,360	801,266	54,906
<b>Total Revenues</b>	<u>932,951</u>	<u>932,951</u>	<u>801,266</u>	<u>(131,685)</u>
<b>Expenditures:</b>				
Indirect instruction	-	5,583	6,980	(1,397)
Transportation	35,000	26,170	25,989	181
Custodial maintenance	19,176	26,080	25,151	929
Community service	878,775	875,118	743,146	131,972
<b>Total Expenditures</b>	<u>932,951</u>	<u>932,951</u>	<u>801,266</u>	<u>131,685</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of the Year</b>	-	-	-	-
<b>Fund Balance - End of the Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual (GAAP BASIS)**  
**Health Insurance Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
Revenues:					
Insurance premiums	\$ 2,000,000	\$ 2,000,000	\$ 1,742,775	\$ (257,225)	\$ 1,775,689
Stop loss reimbursements	200,000	200,000	257,715	57,715	818,149
Total Operating Revenues	2,200,000	2,200,000	2,000,490	(199,510)	2,593,838
Expenses:					
Premiums paid	2,119,200	2,574,158	2,552,981	21,177	2,627,462
Total Operating Expenses	2,119,200	2,574,158	2,552,981	21,177	2,627,462
Operating Income (Loss)	80,800	(374,158)	(552,491)	(178,333)	(33,624)
Transfers in	-	366,000	366,000	-	-
Change in Net Position	80,800	(8,158)	(186,491)	(178,333)	(33,624)
Net Position - Beginning of the Year	10,000	98,958	98,958	-	132,582
Net Position (Deficit) - End of the Year	\$ 90,800	\$ 90,800	\$ (87,533)	\$ (178,333)	\$ 98,958

The accompanying notes are an integral part of this statement.

**Lake County School District**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source**  
**June 30, 2024 and 2023**

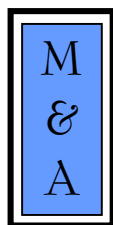
---

	<u>2024</u>	<u>2023</u>
<b>Governmental funds capital assets:</b>		
Land	\$ 426,995	\$ 431,995
Construction in progress	-	34,535,683
Buildings	61,099,652	28,282,972
Equipment and vehicles	<u>815,458</u>	<u>882,508</u>
<b>Total governmental funds capital assets</b>	<u><u>\$ 62,342,105</u></u>	<u><u>\$ 64,133,158</u></u>



**Single Audit Reports and Schedules**





# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

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

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

To the Board of Education  
Lake County School District  
Leadville, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County 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 District's basic financial statements and have issued our report thereon dated .

### *Internal Control Over Financial Reporting*

Report date TBD

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

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

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

*Member: American Institute of Certified Public Accountants*

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Lake County School District**  
**Leadville, Colorado**

***Compliance and Other Matters***

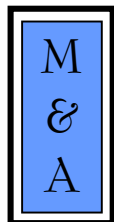
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

***Purpose of this Report***

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

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**

Report date TBD



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

WEB SITE: [WWW.MCMAHANCFA.COM](http://WWW.MCMAHANCFA.COM)  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: [MCMAHAN@MCMAHANCFA.COM](mailto:MCMAHAN@MCMAHANCFA.COM)

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

**To the Board of Education  
Lake County School District  
Leadville, Colorado**

### ***Opinion on Each Major Federal Program***

We have audited the compliance of Lake County School District (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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 ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"), and the Guide. 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.

*Member: American Institute of Certified Public Accountants*

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Lake County School District**  
**Leadville, Colorado**

***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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

***Report on Internal Control Over Compliance***

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

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Lake County School District**  
**Leadville, Colorado**

***Report on Internal Control Over Compliance (continued)***

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.

***Purpose of this Report***

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

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**

Report date TBD

**Lake County School District**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

**Part I – Summary of Auditor’s Results**

*Financial Statements:*

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

*Federal Awards:*

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200	No
Major programs:	
Schools and Roads – Grants to States	ALN 10.665
Head Start	ALN 93.600
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

**Part II – Findings Related to Financial Statements**

Findings related to financial statements as required by <i>Government Auditing Standards</i>	No
Auditor-assigned reference number	Not applicable

**Part III – Findings Related to Federal Awards**

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Lake County School District  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2024

**Note:** There were no findings for the year ended June 30, 2023.



**Lake County School District**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing	Grant Project Code	Expenditures
<b>United States Department of Education</b>			
<b>Passed through State Department of Education:</b>			
Title I Grants to Local Educational Agencies	84.010	4010/5010	\$ 273,747
Education for Homeless Children and Youth	84.196A	5196	57,264
Twenty-First Century Community Learning Centers Cohort IX	84.287C	7287/8287	399,889
English Language Acquisition State Grants (Title III, Part A)	84.365A	4365	27,152
Comprehensive Literacy State Development	84.371C	5371	543,088
COVID-19 - ESSER III ARP 9.5% State Set-Aside, Rural Coaction	84.425U	4429	654,394
COVID-19 - ESSER II: Late Liquidation Rapid Request	84.425D	4463	36,015
COVID-19 - ESSER III ARP 9.5% State Set-Aside, Expanded Learning Opportunities - After School Programming	84.425U	4449	116,644
COVID-19 - ESSER III 90% - LEA Allocation	84.425U	4414/9414	499,484
COVID-19 - ESSER III ARP 9.5% State Set-Aside-Rapid Requests Learning Loss	84.425U	4462	90,000
COVID-19 - GEER Governor's Emergency Education Relief Fund-CSI Recalculation Fu	84.425C	6425	60,008
COVID-19 - ARP Homeless Children and Youth (ARP-HCY) Group 1	84.425W	8425	3,000
<i>Subtotal - Elementary and Secondary School Emergency Relief</i>			<u>1,459,545</u>
<b>Passed through Colorado Community College System:</b>			
Career and Technical Education - Basic Grants to States	84.048	4048	58,615
<b>Total United States Department of Education</b>			<u><u>2,819,300</u></u>
<b>United States Department of Health and Human Services</b>			
Child Care Assistance Block Grant (Child Care Stabilization)	93.575	7575	32,156 <b>D</b>
Head Start	93.600	8600	801,266 <b>B</b>
<b>Total United States Department of Health and Human Services</b>			<u><u>833,422</u></u>
<b>United States Department of Agriculture</b>			
<b>Passed through Lake County Treasurer:</b>			
Schools and Roads - Grants to States	10.665	7665	100,550 <b>C</b>
<b>Passed through Colorado Department of Human Services:</b>			
Food Distribution, Commodities	10.555	4555	31,172 <b>A</b>
<b>Passed through State Department of Education:</b>			
School Breakfast program	10.555	4553	90,020 <b>A</b>
Seamless Summer Option (SSO)-Breakfast	10.555	5553	222,743 <b>A</b>
Supply Chain Assistance (SCA)	10.555	6555	24,275 <b>A</b>
<i>Subtotal - National School Lunch Program</i>			<u>368,210</u>
Summer Food Service Program for Children	10.559	4559	10,723 <b>A</b>
Local Food for Schools (LFS) Cooperative	10.185	4185	4,189
Child and Adult Care Food Program (CACFP)	10.558	4558	121,786
Fresh Fruit and Vegetable Program	10.582	4582	32,873
Summer EBT - Federal - Distributions	10.646	4646	800
SNAP: P-EBT mini Grants	10.649	4649	653
<b>Total United States Department of Agriculture</b>			<u><u>639,784</u></u>
<b>Total Federal Expenditures</b>			<u><u>\$ 4,292,506</u></u>
<b>Additional Information for Clusters:</b>			
<b>A</b> Child Nutrition Cluster	\$ 378,933		
<b>B</b> Head Start Cluster	801,266		
<b>C</b> Forest Service Schools and Roads Cluster	100,550		
<b>D</b> Child Care Development Cluster	32,156		

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024:**

**Note 1. Basis of Presentation:**

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

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

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

**Note 3. Sub recipients:**

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

**Note 4. Indirect Facilities and Administration Costs:**

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