

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**

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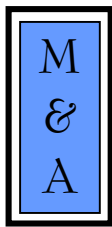
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INDEPENDENT AUDITOR'S REPORT

**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.

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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 December 6, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 6, 2024

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
Assets:		
Current and other assets	\$ 8,801,458	\$ 9,459,622
Capital assets	62,342,105	64,133,158
Total Assets	71,143,563	73,592,780
Deferred Outflows	8,399,867	5,323,964
Liabilities:		
Other liabilities	2,635,927	3,115,877
Long-term liabilities	44,356,367	39,524,344
Total Liabilities	46,992,294	42,640,221
Deferred Inflows	1,602,300	3,305,372
Net Position:		
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)
Total Net Position	\$ 30,948,836	\$ 32,971,151

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**

	Governmental Activities	
	2024	2023
Revenues:		
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
Total Revenues	20,967,744	22,824,596
Expenses:		
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
Total Expenses	22,990,059	22,403,950
Change in net position	(2,022,315)	420,646
Net position- July 1	32,971,151	32,550,505
Net position - June 30	\$ 30,948,836	\$ 32,971,151

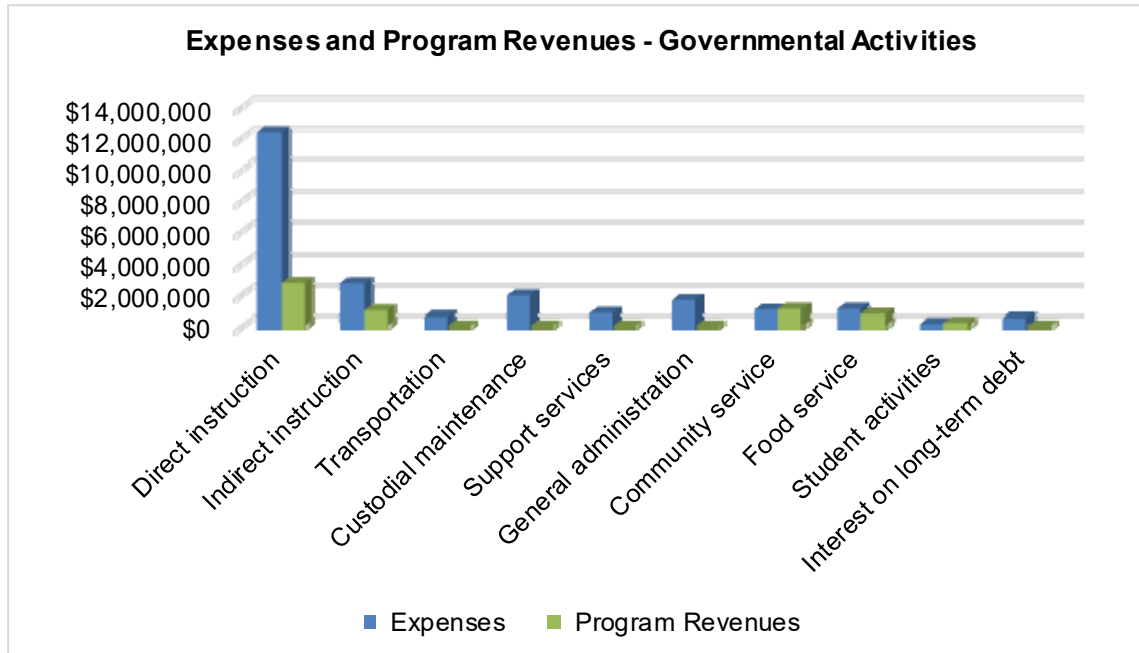
During 2024, net position for governmental activities decreased \$2,022,315 from 2023 for an ending balance of \$30,948,836. The decrease in net position was mostly due to the District's pension and OPEB expense (credit) of \$1,297,986 and \$196,072, respectively. The District's Board of Education has 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.

Economic Factors and Next Year's Budgets and Rates (continued)

Funding sources for the School Finance Act is derived by the following formula:

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

Next Year's Budget and Rates: The District's General Fund balance at the end of fiscal year 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 5th Street, Leadville, Colorado 80461.

Basic Financial Statements



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

	Governmental Activities
Assets:	
Current Assets:	
Cash and investments	\$ 6,871,121
Accounts receivable	64,138
Taxes receivable	831,499
Intergovernmental	1,029,499
Inventory	5,201
Total Current Assets	<u>8,801,458</u>
Capital Assets:	
Nondepreciable	426,995
Depreciable, net of accumulated depreciation	61,915,110
Total Capital Assets	<u>62,342,105</u>
Total Assets	<u>71,143,563</u>
Deferred Outflows of Resources:	
Related to pension expenses	8,285,790
Other post-employment benefits expenses	114,077
Total Deferred Outflows of Resources	<u>8,399,867</u>
Liabilities:	
Current Liabilities:	
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
Total Current Liabilities	<u>2,635,927</u>
Noncurrent Liabilities:	
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
Total Noncurrent Liabilities	<u>44,356,367</u>
Total Liabilities	<u>46,992,294</u>
Deferred Inflows of Resources:	
Related to pension expenses	1,390,507
Related to other post-employment benefits expense	211,793
Total Deferred Inflows of Resources	<u>1,602,300</u>
Net Position:	
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	<u>(17,792,569)</u>
Total Net Position	<u>\$ 30,948,836</u>

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>
General revenues:					
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)
Net Position - Beginning of Year					<u>32,971,151</u>
Net Position - End of Year					<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

	General Fund	Designated- Purpose Grant Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:					
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
Total Assets	\$ 3,910,818	\$ 795,926	\$ 3,334,039	\$ 1,584,864	\$ 9,625,647
Liabilities:					
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
Total Liabilities	977,936	795,926	-	189,189	1,963,051
Deferred Inflows of Resources:					
Unavailable property taxes	423,302	-	80,065	-	503,367
Fund Balances:					
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
Total Fund Balances	2,509,580	-	3,253,974	1,395,675	7,159,229
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,910,818	\$ 795,926	\$ 3,334,039	\$ 1,584,864	\$ 9,625,647

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

Governmental Funds Total Fund Balance	\$ 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)
Governmental Activities Net Position	\$ 30,948,836

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

	General Fund	Grant Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
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
Total Revenues	<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>
Expenditures:					
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
Total Expenditures	<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>
Excess (Deficiency) of Revenues over Expenditures	<u>173,202</u>	<u>-</u>	<u>311,967</u>	<u>(101,475)</u>	<u>383,694</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	289,000	289,000
Transfers (out)	(655,000)	-	-	-	(655,000)
Total Other Financing Sources (Uses)	<u>(655,000)</u>	<u>-</u>	<u>-</u>	<u>289,000</u>	<u>(366,000)</u>
Net Change in Fund Balance	(481,798)	-	311,967	187,525	17,694
Fund Balance - Beginning of the Year	<u>2,991,378</u>	<u>-</u>	<u>2,942,007</u>	<u>1,208,150</u>	<u>7,141,535</u>
Fund Balance - End of the Year	<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

Governmental Funds Changes in Fund Balances	\$ 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)
Governmental Activities Change in Net Position	<u>\$ (2,022,315)</u>

The accompanying notes are an integral part of this statement.

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

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

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

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities:	
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)
Net Cash Provided (Used) by Operating Activities	<u>(366,000)</u>
Cash Flows From Non-Capital Financing Activities:	
Transfers (to) from other funds	366,000
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>366,000</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning of the Year	6,515
Cash and Cash Equivalents - End of the Year	<u>\$ 6,515</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ (552,491)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) decrease in accounts receivable	247,603
Increase (decrease) in accounts payable	(61,112)
Total Adjustments	<u>186,491</u>
Net Cash Provided (Used) by Operating Activities	<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>Estimated lives</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.

Operating Reserve: The District's Board of Education has adopted a financial policy to maintain a minimum of 2% of annual expenditures in the General Fund as an Operating Reserve.

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.

For the 2024 budget, the District did not send out a notice for its proposed budget, which may be a violation of state statute.

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:

Fund	Original Appropriation	Final Appropriation	Change
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
Deposits:				
Checking accounts	Not rated	\$ 3,773,349	\$ 3,773,349	\$ -
Investments:				
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	-
Total		<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:

	General Fund	Grant Fund	Bond Redemption Fund
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	-	-	-
Net Receivables	<u><u>\$ 922,953</u></u>	<u><u>\$ 691,906</u></u>	<u><u>\$ 133,052</u></u>

	Non-major Governmental Funds	Internal Service Fund	Total
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	-	-	-
Net Receivables	<u><u>\$ 113,087</u></u>	<u><u>\$ 64,138</u></u>	<u><u>\$ 1,925,136</u></u>

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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:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
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	<u>34,967,678</u>	<u>-</u>	<u>(34,540,683)</u>	<u>426,995</u>
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	<u>48,768,553</u>	<u>34,665,010</u>	<u>(130,477)</u>	<u>83,303,086</u>
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	<u>(19,603,073)</u>	<u>(1,915,380)</u>	<u>130,477</u>	<u>(21,387,976)</u>
Governmental Activities - Capital Asset, Net	<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:

Governmental activities:	
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
Total	<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:

Fiscal Year	Principal	Interest	Total
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
Totals	\$ 17,661,944	\$ 3,817,394	\$ 21,479,338

5. Changes in Long-term Liabilities

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

	July 1, 2023	Additions	Reductions	June 30, 2024	Due Within One Year
Governmental activities:					
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	-
Total Governmental Activities	\$ 40,754,290	\$ 6,132,838	\$ (1,256,931)	\$ 45,630,197	\$ 1,273,830

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.

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:

	July 1, 2023 through June 30, 2024
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%
Total employer contribution rate to the SCHDTF	20.38%

**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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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:

Year ended June 30:	
2025	\$ 1,241,079
2026	2,820,171
2027	2,392,860
2028	(542,199)
Total	<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 ¹	Financed by the AIR

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

The 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:

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

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

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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
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.

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.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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:

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

¹UnitedHealthcare 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

Participant Age	Annual Increase (Male)	Annual Increase (Female)
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%

MAPD PPO #1 with Medicare Part A Retiree/Spouse			MAPD PPO #2 with Medicare Part A Retiree/Spouse			MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		
Sample Age	Male	Female	Male	Female		Male	Female	
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	

MAPD PPO #1 without Medicare Part A Retiree/Spouse			MAPD PPO #2 without Medicare Part A Retiree/Spouse			MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse		
Sample Age	Male	Female	Male	Female		Male	Female	
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:

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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:

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	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

¹For 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.

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.

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, Companion Life Insurance Company, has been contracted to provide coverage of any claims against the self-funded plan in excess of \$50,000, per employee, 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.

	Year ended 6/30/23	Year ended 6/30/24
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>

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.).

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.

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

V. Other Information (continued)

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.

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.

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

IV. Other Information (continued)c

F. Jointly Governed Organization – BOCES

The BOCES has issued its own audited financial statements for the year ended June 30, 2024, 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 from January 2024 through May 2024.

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
Revenues:				
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
Total Revenues	13,734,132	13,843,149	13,526,038	(317,111)
Expenditures:				
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
Total Expenditures	14,653,876	14,522,131	13,352,836	1,169,295
Excess (Deficiency) of Revenues Over Expenditures	(919,744)	(678,982)	173,202	852,184
Other Financing Sources (Uses):				
Transfers (out)	(686,879)	(655,000)	(655,000)	-
Total Other Financing Sources (Uses)	(686,879)	(655,000)	(655,000)	-
Net Change in Fund Balance	(1,606,623)	(1,333,982)	(481,798)	852,184
Fund Balance - Beginning of the Year Budget Basis	2,992,168	2,991,379	2,991,378	(1)
Fund Balance - End of the Year Budget Basis	\$ 1,385,545	\$ 1,657,397	2,509,580	\$ 852,183
Reconciliation to GAAP Basis:				
Pension direct distribution - Special funding			(45,319)	(521,700)
Pension expense - Special funding			45,319	521,700
Fund Balance - End of Year GAAP Basis:			\$ 2,509,580	\$ 2,991,378

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
Revenues:				
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)
Total Revenues	3,441,664	4,076,607	3,164,502	(912,105)
Expenditures:				
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)
Total Expenditures	3,678,543	4,316,813	3,164,502	1,152,311
Excess (Deficiency) of Revenues Over Expenditures	(236,879)	(240,206)	-	240,206
Other Financing Sources (Uses):				
Transfers in	236,879	240,206	-	(240,206)
Total Other Financing Sources (Uses)	236,879	240,206	-	(240,206)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-
Fund Balance - End of the Year	\$ -	\$ -	\$ -	\$ -

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

For the measurement date of December 31,	2023	2022	2021	2020	2019
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%
For the measurement date of December 31,	2018	2017	2016	2015	2014
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

Fiscal year-ended June 30,	2024	2023	2022	2021	2020
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%
 Fiscal year-ended June 30,	 2019	 2018	 2017	 2016	 2015
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%

Refer to the accompanying notes to the Required Supplementary Information.

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 *

For the measurement date of December 31,	2023	2022	2021	2020	2019
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%
For the measurement date of December 31,	2018	2017			
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 *

Fiscal year-ended June 30,	2024	2023	2022	2021	2020
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%

Fiscal year-ended June 30,	2019	2018
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

	General Fund	Universal Preschool Program Fund	Total
Assets:			
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
Total Assets	\$ 3,736,785	\$ 174,033	\$ 3,910,818
Liabilities:			
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
Total Liabilities	885,123	92,813	977,936
Deferred Inflows of Resources:			
Unavailable property taxes	423,302	-	423,302
Fund Balances:			
Restricted for:			
Colorado Preschool Program Reserve	-	81,220	81,220
TABOR Reserve	373,000	-	373,000
Unassigned	2,055,360	-	2,055,360
Total Fund Balances	2,428,360	81,220	2,509,580
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,736,785	\$ 174,033	\$ 3,910,818

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

	General Fund	Universal Preschool Program Fund	Total
Revenues:			
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
Total Revenues	<u>13,125,002</u>	<u>401,036</u>	<u>13,526,038</u>
Expenditures:			
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
Total Expenditures	<u>12,932,620</u>	<u>420,216</u>	<u>13,352,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>192,382</u>	<u>(19,180)</u>	<u>173,202</u>
Other Financing Sources (Uses):			
Transfers (out)	(655,000)	-	(655,000)
Total Other Financing Sources (Uses)	<u>(655,000)</u>	<u>-</u>	<u>(655,000)</u>
Net Change in Fund Balance	(462,618)	(19,180)	(481,798)
Fund Balances - Beginning of Year	<u>2,890,978</u>	<u>100,400</u>	<u>2,991,378</u>
Fund Balances - End of Year	<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	
Assets:							
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
Total Assets	\$ 75,567	\$ 361,784	\$ 380,590	\$ 39,194	\$ 180,642	\$ 547,087	\$ 1,584,864
Liabilities:							
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
Total Liabilities	80,162	69,833	-	39,194	-	-	189,189
Fund Balances:							
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)
Total Fund Balances	(4,595)	291,951	380,590	-	180,642	547,087	1,395,675
Total Liabilities and Fund Balances	\$ 75,567	\$ 361,784	\$ 380,590	\$ 39,194	\$ 180,642	\$ 547,087	\$ 1,584,864

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	
Revenues:							
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
Total Revenues	<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>
Expenditures:							
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
Total Expenditures	<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>
Excess (Deficiency) or Revenues Over Expenditures	<u>(234,595)</u>	<u>186,229</u>	<u>48,536</u>	<u>-</u>	<u>-</u>	<u>(101,645)</u>	<u>(101,475)</u>
Other Financing Sources (Uses):							
Transfers in	230,000	-	-	-	-	59,000	289,000
Total Other Financing Sources (Uses)	<u>230,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,000</u>	<u>289,000</u>
Net Change in Fund Balance	<u>(4,595)</u>	<u>186,229</u>	<u>48,536</u>	<u>-</u>	<u>-</u>	<u>(42,645)</u>	<u>187,525</u>
Fund Balance - Beginning of the Year	<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>
Fund Balance (Deficit) - End of the Year	<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
Revenues:				
Local sources:				
General property taxes	\$ 1,904,148	\$ 1,904,148	\$ 1,859,314	\$ (44,834)
Other revenue	-	-	129,784	129,784
Total Revenues	<u>1,904,148</u>	<u>1,904,148</u>	<u>1,989,098</u>	<u>84,950</u>
Expenditures:				
Debt service:				
Principal	1,135,622	1,135,622	1,135,622	-
Interest	541,510	541,510	541,509	1
Total Expenditures	<u>1,677,132</u>	<u>1,677,132</u>	<u>1,677,131</u>	<u>1</u>
Net Change in Fund Balance	227,016	227,016	311,967	84,951
Fund Balance - Beginning of the Year	<u>(227,016)</u>	<u>(227,016)</u>	<u>2,942,007</u>	<u>3,169,023</u>
Fund Balance - End of the Year	<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
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,108,780</u>
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,462,635</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of the Year	-	-	180,642	180,642
Fund Balance - End of the Year	<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
Revenues:					
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
Total Revenues	141,857	38,783	38,709	(74)	143,159
Expenditures:					
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	-
Total Expenditures	717,423	687,515	140,354	547,161	339,565
Excess (Deficiency) of Revenues Over Expenditures	(575,566)	(648,732)	(101,645)	547,087	(196,406)
Other Financing Sources (uses)					
Transfers in	250,000	59,000	59,000	-	376,034
Total Other Financing Sources (uses)	250,000	59,000	59,000	-	376,034
Net Change in Fund Balance	(325,566)	(589,732)	(42,645)	547,087	179,628
Fund Balance - Beginning of the Year	689,571	589,732	589,732	-	410,104
Fund Balance - End of the Year	\$ 353,050	\$ 353,050	\$ 547,087	\$ 547,087	\$ 589,732

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
Revenues:					
Local sources:					
Food service charges	\$ 3,000	\$ 3,000	\$ 41,860	\$ 38,860	\$ 113,180
Other revenue	37,000	31,000	-	(31,000)	23,730
State sources	135,940	207,334	191,541	(15,793)	14,594
Federal sources	552,429	543,275	532,473	(10,802)	500,323
Total Revenues	<u>728,369</u>	<u>784,609</u>	<u>765,874</u>	<u>(18,735)</u>	<u>651,827</u>
Expenditures:					
Food service operations:					
Salaries and employee benefits	575,939	563,561	580,285	(16,724)	550,127
Supplies	10,000	10,000	7,738	2,262	9,182
Other	1,500	1,500	1,646	(146)	1,783
Food costs	337,930	436,548	410,800	25,748	347,651
Capital outlay	-	-	-	-	70
Total Expenditures	<u>925,369</u>	<u>1,011,609</u>	<u>1,000,469</u>	<u>11,140</u>	<u>908,813</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(197,000)</u>	<u>(227,000)</u>	<u>(234,595)</u>	<u>(7,595)</u>	<u>(256,986)</u>
Other Financing Sources (Uses):					
Transfers in	<u>200,000</u>	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>48,484</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>48,484</u>
Net Change in Fund Balance	3,000	3,000	(4,595)	(7,595)	(208,502)
Fund Balance - Beginning of the Year	-	-	-	-	208,502
Fund Balance (Deficit) - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,595)</u>	<u>\$ (7,595)</u>	<u>\$ -</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)
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
Revenues:				
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)
Total Revenues	158,005	392,883	359,780	(33,103)
Expenditures:				
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
Total Expenditures	213,005	498,605	173,551	325,054
Net Change in Fund Balance	(55,000)	(105,722)	186,229	291,951
Fund Balance - Beginning of the Year	55,000	105,722	105,722	-
Fund Balance - End of the Year	\$ -	\$ -	\$ 291,951	\$ 291,951

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
Revenues:					
Local sources:					
Student activity fees	\$ 308,088	\$ 332,054	\$ 235,195	\$ (96,859)	\$ 207,052
Total Revenues	308,088	332,054	235,195	(96,859)	207,052
Expenditures:					
Student activities	308,088	332,054	186,659	145,395	183,086
Total Expenditures	308,088	332,054	186,659	145,395	183,086
Net Change in Fund Balance	-	-	48,536	48,536	23,966
Fund Balance - Beginning of the Year	-	-	332,054	332,054	308,088
Fund Balance - End of the Year	\$ -	\$ -	\$ 380,590	\$ 380,590	\$ 332,054

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
Revenues:				
Local sources:				
Other revenue	\$ 186,591	\$ 186,591	\$ -	\$ (186,591)
Federal sources	746,360	746,360	801,266	54,906
Total Revenues	<u>932,951</u>	<u>932,951</u>	<u>801,266</u>	<u>(131,685)</u>
Expenditures:				
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
Total Expenditures	<u>932,951</u>	<u>932,951</u>	<u>801,266</u>	<u>131,685</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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>
Governmental funds capital assets:		
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>
Total governmental funds capital assets	<u><u>\$ 62,342,105</u></u>	<u><u>\$ 64,133,158</u></u>



Colorado Department of Education

Auditors Integrity Report

District: 1510 - Lake County R-1

Fiscal Year 2023-24

Colorado School District/BOCES

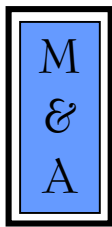
Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental		+		-	=
10	General Fund	2,890,978	12,470,001	12,932,620	2,428,359
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	100,401	401,036	420,215	81,222
Sub- Total		2,991,379	12,871,037	13,352,835	2,509,581
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	105,722	1,161,046	974,817	291,950
06	Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07	Total Program Reserve Fund	0	0	0	0
21	Food Service Spec Revenue Fund	0	995,873	1,000,469	-4,596
22	Govt Designated-Purpose Grants Fund	0	3,164,502	3,164,502	0
23	Pupil Activity Special Revenue Fund	332,054	235,195	186,659	380,590
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	2,942,007	1,989,098	1,677,131	3,253,974
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	180,642	0	0	180,642
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	589,732	97,708	140,353	547,088
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals		7,141,536	20,514,459	20,496,765	7,159,230
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	98,958	623,715	810,207	-87,534
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		98,958	623,715	810,207	-87,534
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		0	0	0	0

FINAL

Single Audit Reports and Schedules





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**To the Board of Education
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 December 6, 2024.

Internal Control Over Financial Reporting

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

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

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

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Lake County School District
Leadville, Colorado

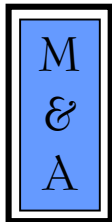
Compliance and Other Matters

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.
McMahan and Associates, L.L.C.
Avon, Colorado
December 6, 2024



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
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

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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
December 6, 2024

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
United States Department of Education			
Passed through State Department of Education:			
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>
Passed through Colorado Community College System:			
Career and Technical Education - Basic Grants to States	84.048	4048	58,615
Total United States Department of Education			<u><u>2,819,300</u></u>
United States Department of Health and Human Services			
Child Care Assistance Block Grant (Child Care Stabilization)	93.575	7575	32,156 D
Head Start	93.600	8600	801,266 B
Total United States Department of Health and Human Services			<u><u>833,422</u></u>
United States Department of Agriculture			
Passed through Lake County Treasurer:			
Schools and Roads - Grants to States	10.665	7665	100,550 C
Passed through Colorado Department of Human Services:			
Food Distribution, Commodities	10.555	4555	31,172 A
Passed through State Department of Education:			
School Breakfast program	10.555	4553	90,020 A
Seamless Summer Option (SSO)-Breakfast	10.555	5553	222,743 A
Supply Chain Assistance (SCA)	10.555	6555	24,275 A
<i>Subtotal - National School Lunch Program</i>			<u>368,210</u>
Summer Food Service Program for Children	10.559	4559	10,723 A
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
Total United States Department of Agriculture			<u><u>639,784</u></u>
Total Federal Expenditures			<u><u>\$ 4,292,506</u></u>

Additional Information for Clusters:

A Child Nutrition Cluster	\$ 378,933
B Head Start Cluster	801,266
C Forest Service Schools and Roads Cluster	100,550
D 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.