

**DOLORES COUNTY (DOVE CREEK)  
SCHOOL DISTRICT RE-2J**

Independent Accountants' Reports  
and  
Basic Financial Statements  
June 30, 2023

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Dolores County (Dove Creek) School District RE-2J  
Dove Creek, Colorado 81324

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dolores County (Dove Creek) School District RE-2J, Colorado as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dolores County (Dove Creek) School District RE-2J, Colorado as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Food Service Fund and Student Activity Fund for the year then ended in accordance with accounting principles generally accepted in the United State of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Dolores County (Dove Creek) School District RE-2J, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Dolores County (Dove Creek) School District RE-2J, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 Dolores County (Dove Creek) School District RE-2J, Colorado'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 Dolores County (Dove Creek) School District RE-2J, Colorado'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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Other Post-Employment Benefits (OPEB) Plan Contributions, and Schedule of the District's Proportionate Share of the Net Other Post Benefits (OPEB) Plan Liability, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dolores County (Dove Creek) School District RE-2J, Colorado's basic financial statements. The budgetary comparison schedules and Colorado Department of Education Auditors' Integrity Report, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and Colorado Department of Education Auditors' Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the District's Required Annual Financial Disclosures Undertaking in the Connection of the Issuance of its General Obligation Bonds, Series 2023, but does not include the basic financial statements and our auditors report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*Majors and Haley P.C.*

Majors and Haley PC  
October 3, 2023

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended June 30, 2023

#### **MANGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Dolores County (Dove Creek) School District RE-2J, Colorado's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please consider the information presented here in conjunction with additional information that can be found in the basic financial statements, as listed in the table of contents.

#### **FINANCIAL HIGHLIGHTS**

- The District's net position increased \$3,986,655 as result of this year's operations.
  - Net position of governmental activities increased \$3,969,889. This increase includes the result of the District's share of PERA pension and OPEB plan benefit which, in net, totaled \$1,150,133.
  - Net position of business-type activities, the Teacherage Fund, increased \$16,766 or 23.98%.
- The District's total revenue was \$8,425,032 which is an increase of \$3,144,750 from \$5,280,282 in the prior year.
  - General revenues (primarily state equalization and property tax) accounted for \$6,578,504 in revenue or 78.1% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$1,846,528 or the remaining 21.9%.
- The District incurred \$4,438,377 in expenses which is an increase of \$1,599,802 from \$2,838,575 in the prior year. \$1,150,133 of the expense was due to how pension and OPEB plan expenses are presented.
  - The general revenues were adequate by \$3,986,655 to cover \$2,591,849 in expenditures that were not offset by program specific revenues.
- Among the major programs, the General Fund reported a \$194,844 increase in fund balance from \$3,930,296 in the prior year to \$4,125,140. This is a 4.96% increase.
  - The General Fund revenues increased \$131,267 from \$4,842,631 in the prior year to \$4,973,898 for a 2.7% increase.
  - The General Fund expenditures (including transfers) increased \$777,670 from \$4,001,384 in the prior year to \$4,779,054. This is 19.4% increase.

## **DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Year Ended June 30, 2023

- The General Fund transfer to the Food Service Fund of \$50,000 was up from \$30,000 in the previous year.
- The General Fund transferred \$418,926 into the Capital Projects Fund. This is up from the \$250,000 in the previous year.
- The Student Activity transfer was \$41,400. This is up \$352 from the previous year transfer of \$41,048.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

This annual report consists of a series of financial statements. Management's Discussion and Analysis is intended to serve as an introduction to the Districts basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components.

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.

This report also contains required supplementary and other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide Financial Statements**

The Government-wide financial statements are designed to provide the reader of the District Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position presents information about all of the District's assets, liabilities and deferred outflows and inflows of resources, with the difference reported as net position.
- The Statement of Activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the Statement of Activities when the underlying event occurs, regardless of the timing of related cash flow. Thus, all of the revenues and expenses are taken into account regardless of when cash is received or paid.

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2023

The Government-wide financial statements are one way to measure the District's financial health, or financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property base, student counts, and the condition of school facilities.

In the Government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities** – Most of the District's basic services are included here, such as instruction, students, food services, operations and maintenance, and administration. These activities are financed mainly through general revenues (state equalization and property tax).
- **Business-type activities**- The District charges fees to help cover the costs of certain services it provides. The District's Teacherage Fund is included here.

#### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes other funds to help it manage and control its finances to achieve certain results. The fund types presented here are governmental funds and proprietary funds. These two funds use different accounting approaches.

- **Governmental funds**- Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.



## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2023

- **Proprietary funds-** Services for which the District charges a fee are generally reported in proprietary funds. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Proprietary funds are reported in the same way as the government-wide financial statements.

### ***FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$6,806,504 at the close of the most recent fiscal year.

Net investment in capital assets (e.g. land and improvements, buildings, and equipment net any related debt to acquire those assets that is still outstanding) represents (\$6,229,063) of the net position. This is negative due to Bonds being received and not all expended yet. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Property taxes are levied specifically to fund debt service on general obligation bonds. The District has no related debt at this time.

An additional \$12,938,216 of the net position represents resources that are subject to external restrictions on how they may be used. \$155,000 of the restricted net position is an emergency reserve required by the Tabor amendment; \$24,828 for food services; \$172,565 for student activities; \$11,903,279 for capital improvements and \$682,544 is for the repayment of the general obligation bonds.

The remaining \$96,901 is unrestricted net position.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended June 30, 2023**

The following table indicates a summary of the Statement of Net Position for Governmental Activities as of June 30, 2023 and 2022.

**Table 1**

Comparative Summary of Net Position  
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets	\$ 17,614,559	\$ 4,873,638	\$ 61,764	\$ 43,971	\$ 17,676,323	\$ 4,917,609
Capital assets, net of depreciation	4,090,426	3,407,880	25,511	26,538	4,115,937	3,434,418
<b>Total Assets</b>	<b>21,704,985</b>	<b>8,281,518</b>	<b>87,275</b>	<b>70,509</b>	<b>21,792,260</b>	<b>8,352,027</b>
<b>Deferred Outflows of Resources</b>	<b>2,134,778</b>	<b>1,146,580</b>			<b>2,134,778</b>	<b>1,146,580</b>
<b>Liabilities</b>						
Current liabilities	597,251	381,547	600	600	597,851	382,147
Noncurrent liabilities	15,473,940	3,882,022			15,473,940	3,882,022
<b>Total Liabilities</b>	<b>16,071,191</b>	<b>4,263,569</b>	<b>600</b>	<b>600</b>	<b>16,071,791</b>	<b>4,264,169</b>
<b>Deferred Inflows of Resources</b>	<b>1,049,193</b>	<b>2,415,039</b>			<b>1,049,193</b>	<b>2,415,039</b>
<b>Net Position</b>						
Net investment in capital assets	(6,254,574)	3,407,880	25,511	26,538	(6,229,063)	3,434,418
Restricted	12,938,216	654,663			12,938,216	654,663
Unrestricted	35,737	(1,313,053)	61,164	43,371	96,901	(1,269,682)
<b>Net Position</b>	<b>\$ 6,719,379</b>	<b>\$ 2,749,490</b>	<b>\$ 86,675</b>	<b>\$ 69,909</b>	<b>\$ 6,806,054</b>	<b>\$ 2,819,399</b>

At the close of the most recent fiscal year current assets comprised 81.1% of total assets, increasing from 58.9% in the prior year. Investments in capital assets, less depreciation make up the remaining 18.9% of assets. Accrued wages and benefits represent 75.0% of the total current liabilities. Accrued wages and benefits (\$448,462) occur when teachers and certain other District employee's work nine or ten months of the year but are paid over a full twelve months. Current liabilities increased \$215,704 from \$382,147 to \$597,851. There was a net increase in noncurrent liabilities from the prior year of \$11,591,918. The net increase was the result of the addition of bonds payable of \$10,345,000 of the net pension liability increase of \$1,262,231; net decrease of \$(9,026) net OPEB plan liability and an \$(6,287) decrease in accrued sick leave. Deferred outflows of resources increased \$988,198 and deferred inflows of resources decreased \$(1,365,846).

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

For the Year Ended June 30, 2023

The following table indicates the Summary of Net Position for Governmental and Business-type activities in for the year ending June 30, 2023 and 2022.

**Table 2**

Comparative Summary of Changes in Net Position  
For the Year Ending June 30, 2023 and 2022

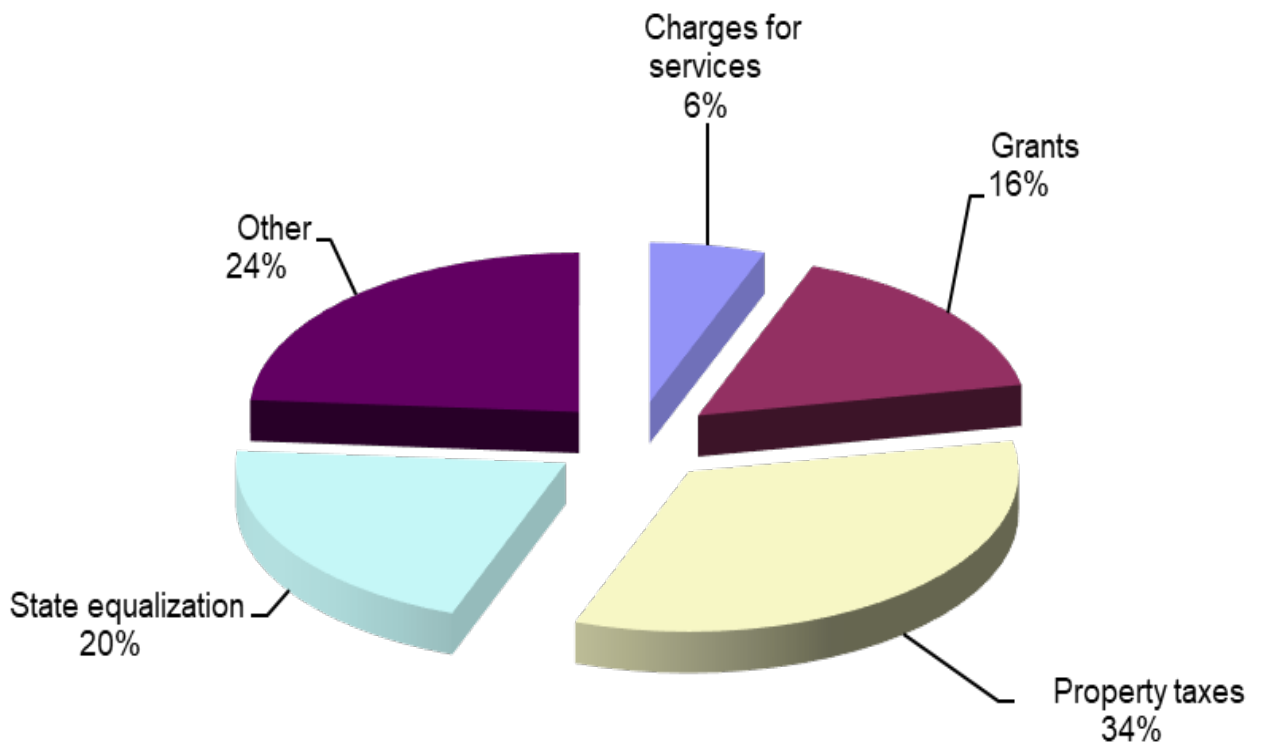
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 446,929	\$ 622,744	\$ 30,827	\$ 22,177	\$ 477,756	\$ 644,921
Operating grants	838,318	773,771			838,318	773,771
Capital grants	530,454				530,454	-
General revenues						
Current property tax	2,836,543	2,319,802			2,836,543	2,319,802
State equalization	1,737,835	1,258,009			1,737,835	1,258,009
Other	2,002,780	283,696	1,346	83	2,004,126	283,779
<b>Total Revenues</b>	<b>8,392,859</b>	<b>5,258,022</b>	<b>32,173</b>	<b>22,260</b>	<b>8,425,032</b>	<b>5,280,282</b>
<b>Expenses</b>						
Instructional	1,931,150	1,506,220			1,931,150	1,506,220
Students	53,887	23,252			53,887	23,252
Education library	77,379	53,171			77,379	53,171
General administration	189,705	85,109			189,705	85,109
School administration	256,578	102,216			256,578	102,216
Business services	88,740	37,520			88,740	37,520
Operations and main	451,030	340,236			451,030	340,236
Student transportation	316,714	213,002			316,714	213,002
Central support	163,594	128,539			163,594	128,539
Food service operations	123,955	101,078			123,955	101,078
Facilities	411,561	71,646			411,561	71,646
Other	36,707				36,707	-
Teacherage operations			15,407	31,114	15,407	31,114
Interest on long-term debt	182,474				182,474	-
Unallocated depreciation	139,496	145,472			139,496	145,472
<b>Total Expenses</b>	<b>4,422,970</b>	<b>2,807,461</b>	<b>15,407</b>	<b>31,114</b>	<b>4,438,377</b>	<b>2,838,575</b>
<b>Change in Net Position</b>	<b>3,969,889</b>	<b>2,450,561</b>	<b>16,766</b>	<b>(8,854)</b>	<b>3,986,655</b>	<b>2,441,707</b>
<b>Net Position - Beginning</b>	<b>2,749,490</b>	<b>298,929</b>	<b>69,909</b>	<b>78,763</b>	<b>2,819,399</b>	<b>377,692</b>
<b>Net Position - Ending</b>	<b>\$ 6,719,379</b>	<b>\$ 2,749,490</b>	<b>\$ 86,675</b>	<b>\$ 69,909</b>	<b>\$ 6,806,054</b>	<b>\$ 2,819,399</b>

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended June 30, 2023**

State equalization and property taxes accounted for most of the District's total revenue for the most recent fiscal year, with each contributing 20 percent and 34 percent respectively (See Table 3). Another 16 percent came from state and federal grants and the remainder 30 percent from charges for services and miscellaneous sources.

**Table 3  
Sources of Revenue for Fiscal Year 2023**

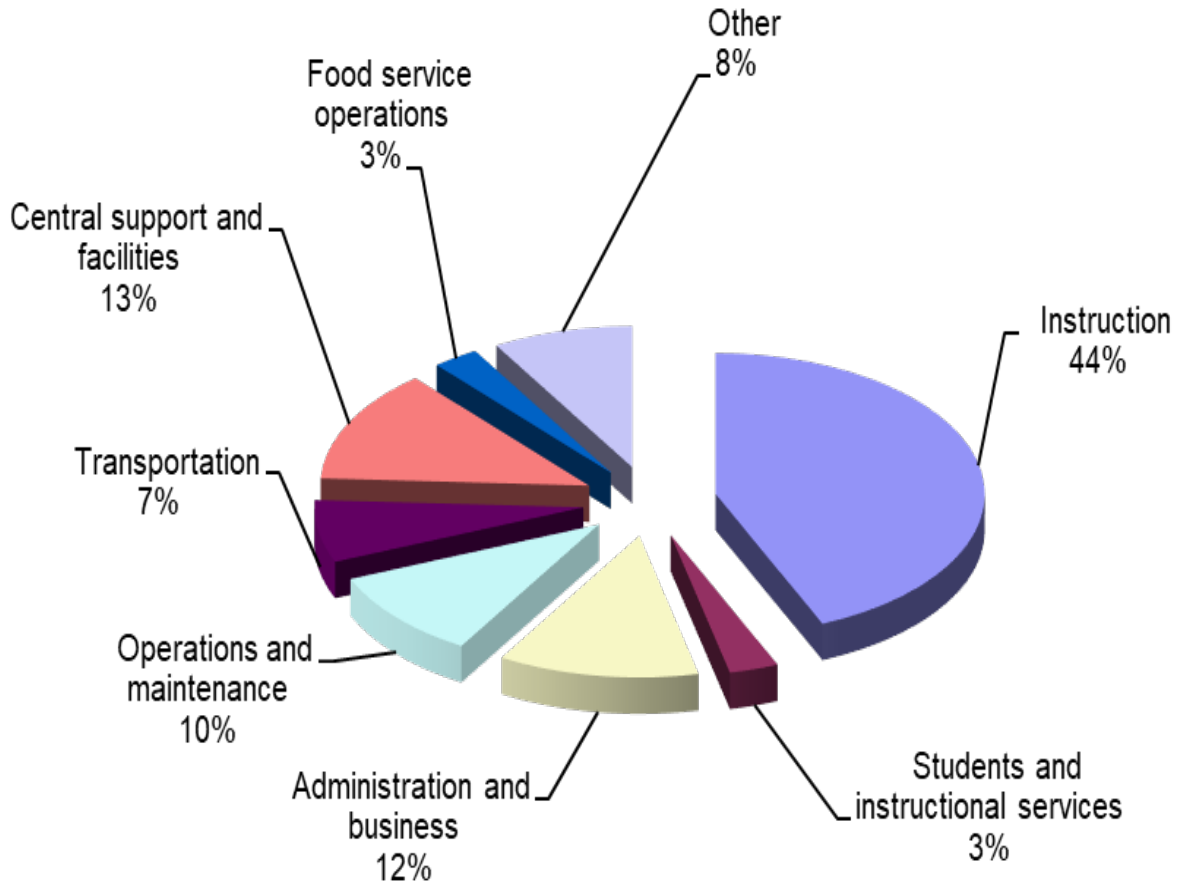


**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended June 30, 2023**

The District's expenses for the most recent fiscal year are predominately related to students and instructional services and instruction, which total 47 percent of all expenses (See Table 4). The District's administrative and business activities accounted for an additional 12 percent of total costs.

**Table 4  
Expenses for Fiscal Year 2023**



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

For the Year Ended June 30, 2023

***Governmental Activities***

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA) which is based on a funded pupil count formula and a standardized maximum statewide property tax mill levy. Under the SFA the District received \$14,233.23 per funded student. This is \$586.71 more than the previous year of \$13,646.52. In fiscal year 2023 the funded pupil count was 252.0 (224.5, 228.0, and 239.3 and in previous three years). Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District received 48.45 percent of this funding from state equalization while the remaining amounts come from property and specific ownership taxes.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes.

**Table 5**  
**Statement of Activities for Fiscal Year 2023 and 2022**

	<b>Governmental Activities</b>			
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2023	2022	2023	2022
Instruction	\$ 1,931,150	\$ 1,506,220	\$ 1,300,163	\$ 646,183
Students and instructional services	131,266	76,423	102,955	51,225
Administration and business	535,023	224,845	477,900	193,509
Operations and maintenance	451,030	340,236	410,382	291,852
Transportation	316,714	213,002	(16,194)	154,672
Central support and facilities	575,155	200,185	(26,718)	(51,260)
Food service operations	123,955	101,078	10,370	(20,707)
Interest on long-term debt	182,474		182,474	
Unallocated depreciation	139,496	145,472	139,496	145,472
Other	36,707		26,441	
<b>Total</b>	<b>\$ 4,422,970</b>	<b>\$ 2,807,461</b>	<b>\$ 2,607,269</b>	<b>\$ 1,410,946</b>

The cost of all governmental activities during the year was \$4,422,970.

- \$446,929 of the cost was financed by the users of the District's programs.

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2023

- Federal and state government subsidized certain programs with \$1,368,772 of grants.
- However, \$6,577,158 of the District's costs was financed by State and District taxpayers. This portion of governmental activities was financed with general revenues that consisted primarily of \$1,737,835 state equalization from the School Finance Act of 1994 (SFA) and \$3,011,242 in property and specific ownership taxes. The remaining \$1,828,081 was from Public school lands, Mineral lease monies, earnings on investments and other sources.

#### ***Business-type Activities***

Business-type activities are made up of the Teacherage Fund. This fund had revenues of \$32,173 and expenses of \$15,407. Business-type activities receive no support from tax revenue.

#### ***FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS***

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds include the General Fund, Food Service Fund, Student Activity Fund, Bond Redemption Fund, Building Fund and Capital Reserve Capital Projects Fund. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$18,685,415 (including bond and bond premium proceeds) and expenditures of \$6,209,492.

#### ***General Fund Budgetary Highlights***

The District's budget process is consistent with current Colorado statutes that require a proposed budget be presented to the Board of Directors by June 1, with budget adoption by June 30. The law provides for school boards to adjust revenues and expenditures through January 31st of each year. The most significant budgeted fund is the General Fund.

Over the course of the year, the District did not revise the annual operating budget by making an increase in appropriations.

- Actual expenditures were \$3,937,990 below budget of which \$3,686,370 is appropriated reserves.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended June 30, 2023**

***CAPITAL ASSET ADMINISTRATION***

By the end of fiscal year 2023, the District has invested \$8,089,578 in buildings and equipment (including vehicles), of this total \$7,973,369 was from governmental activities.

**Table 6  
Capital Assets  
June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Buildings	\$ 7,189,882	\$ 6,593,670	\$ 116,209	\$ 116,209	\$ 7,306,091	\$ 6,709,879
Equipment	1,178,334	1,379,699			1,178,334	1,379,699
Total	<u>\$ 8,368,216</u>	<u>\$ 7,973,369</u>	<u>\$ 116,209</u>	<u>\$ 116,209</u>	<u>\$ 8,484,425</u>	<u>\$ 8,089,578</u>

Additional information on the District's capital assets can be found in Note 3 of the notes to the financial statements of this report as listed in the table of contents.

**LONG-TERM DEBT**

Proceed from the sale of bonds together with proceeds from a BEST Grant was approved by voters of the District at an election November 8, 2022. The Bonds are general obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the Bonds when due. The Bonds are payable in semi-annual installments and bear interest at 5%. The repayment of the Bonds is accounted for in the Debt Service Fund. The District has adopted GASB 87 for leases. The District does not have any leases that meet the materiality threshold of capitalization maintained by the District.



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
For the Year Ended June 30, 2023**

**Table 7  
Long-Term Debt  
June 30, 2023 and 2022**

<u>Description</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
General Obligation Bonds	\$ -	\$ 10,345,000		\$ 10,345,000
Accrued compensated absences	67,473		\$ (6,287)	61,186
Total	<u>\$ 67,473</u>	<u>\$ 10,345,000</u>	<u>\$ (6,287)</u>	<u>\$ 10,406,186</u>

Additional information on long-term debt can be found in Note 5 of the notes to the financial statements of this report as listed in the table on contents.

***FACTORS BEARING ON THE DISTRICT'S FUTURE***

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Dolores County (Dove Creek) School District RE-2J, P.O. Box 459, Dove Creek, Colorado 81324.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 17,161,250	\$ 61,764	\$ 17,223,014
Cash with fiscal agent	173,738		173,738
Property tax receivable	164,647		164,647
Grants accounts receivable	109,505		109,505
Other receivables	619		619
Inventories	4,800		4,800
Capital assets net of accumulated depreciation	4,090,426	25,511	4,115,937
<b>Total Assets</b>	<u>21,704,985</u>	<u>87,275</u>	<u>21,792,260</u>
<b>Deferred Outflows of Resources</b>			
Pensions, net of accumulated amortization	2,102,177		2,102,177
OPEB plan, net of accumulated amortization	32,601		32,601
<b>Total Deferred Outflows of Resources</b>	<u>2,134,778</u>		<u>2,134,778</u>
<b>Liabilities</b>			
Accounts payable	1,190		1,190
Wages and related benefits payable	448,462		448,462
Prepaid student lunch	1,322		1,322
Deposits payable		600	600
Unearned grant revenue	146,277		146,277
Non-current liabilities			
Due within one year	385,000		385,000
Due in more than one year	10,021,186		10,021,186
Net pension liability	4,900,747		4,900,747
Net OPEB plan liability	167,007		167,007
<b>Total Liabilities</b>	<u>16,071,191</u>	<u>600</u>	<u>16,071,791</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue - property taxes	104,152		104,152
Pensions, net of accumulated amortization	873,383		873,383
OPEB plan, net of accumulated amortization	71,658		71,658
<b>Total Deferred Inflows of Resources</b>	<u>1,049,193</u>		<u>1,049,193</u>
<b>Net Position</b>			
Net investment in capital assets	(6,254,574)	25,511	(6,229,063)
Restricted			
TABOR	155,000		155,000
Food Service	24,828		24,828
Student Activities	172,565		172,565
Debt Service	682,544		682,544
Capital Improvements	11,903,279		11,903,279
Unrestricted	35,737	61,164	96,901
<b>Total Net Position</b>	<u>\$ 6,719,379</u>	<u>\$ 86,675</u>	<u>\$ 6,806,054</u>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expenses) Revenue And Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities</b>							
Instructional Program Services	\$ 1,931,150	\$ 360,382	\$ 270,605		\$ (1,300,163)		\$ (1,300,163)
Support Program Services							
Students	53,887		8,697		(45,190)		(45,190)
Educational library	77,379		19,614		(57,765)		(57,765)
General administration	189,705		14,951		(174,754)		(174,754)
School administration	256,578		29,548		(227,030)		(227,030)
Business	88,740		12,624		(76,116)		(76,116)
Operation and maintenance	451,030		40,648		(410,382)		(410,382)
Student transportation	316,714		332,908		16,194		16,194
Central support	163,594		1,119		(162,475)		(162,475)
Food service operations	123,955	16,247	97,338		(10,370)		(10,370)
Facilities acquisition and construction	411,561	70,300		\$ 530,454	189,193		189,193
Other	36,707		10,266		(26,441)		(26,441)
Interest on long-term debt	182,474				(182,474)		(182,474)
Depreciation excluding amounts directly allocated to programs	139,496				(139,496)		(139,496)
<b>Total Governmental Activities</b>	<b>4,422,970</b>	<b>446,929</b>	<b>838,318</b>	<b>530,454</b>	<b>(2,607,269)</b>		<b>(2,607,269)</b>
<b>Business-Type Activities</b>							
Teacherae operations	15,407	30,827				\$ 15,420	15,420
<b>Total Business-Type Activities</b>	<b>15,407</b>	<b>30,827</b>				<b>15,420</b>	<b>15,420</b>
<b>Total School District</b>	<b>\$ 4,438,377</b>	<b>\$ 477,756</b>	<b>\$ 838,318</b>	<b>\$ 530,454</b>	<b>(2,607,269)</b>	<b>15,420</b>	<b>(2,591,849)</b>
<b>General Revenues</b>							
Current property tax for general purposes					2,002,142		2,002,142
Specific ownership tax for general purposes					128,548		128,548
Delinquent taxes and interest on taxes for general purposes					21,701		21,701
Current property tax for debt payment					834,401		834,401
Specific ownership tax for debt payment					24,632		24,632
Delinquent taxes and interest on taxes for debt payment					(182)		(182)
Intergovernmental							
State Equalization - Net					1,737,835		1,737,835
Public school lands					156,592		156,592
Mineral Lease					33,849		33,849
Bond premium proceeds					1,288,783		1,288,783
Earnings on investments					348,857	1,346	350,203
<b>Total General Revenues</b>					<b>6,577,158</b>	<b>1,346</b>	<b>6,578,504</b>
<b>Changes in Net Position</b>					<b>3,969,889</b>	<b>16,766</b>	<b>3,986,655</b>
Net Position Beginning of the Year					2,749,490	69,909	2,819,399
<b>Net Position End of the Year</b>					<b>\$ 6,719,379</b>	<b>\$ 86,675</b>	<b>\$ 6,806,054</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Building Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
<b>Assets</b>							
Cash on hand and in banks	\$ 4,496,140	\$ 40,492	\$ 172,565	\$ 658,279	\$ 11,115,329	\$ 678,445	\$ 17,161,250
Cash with fiscal agent	167,504			6,234			173,738
Property tax receivable	116,008			48,639			164,647
Grants accounts receivable					109,505		109,505
Other receivable		619					619
Inventory		4,800					4,800
<b>Total Assets</b>	<u>\$ 4,779,652</u>	<u>\$ 45,911</u>	<u>\$ 172,565</u>	<u>\$ 713,152</u>	<u>\$ 11,224,834</u>	<u>\$ 678,445</u>	<u>\$ 17,614,559</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,190						\$ 1,190
Wages and related benefits payable	433,501	\$ 14,961					448,462
Prepaid student lunch		1,322					1,322
Unearned grant revenue	146,277						146,277
<b>Total Liabilities</b>	<u>580,968</u>	<u>16,283</u>					<u>597,251</u>
<b>Deferred inflows of resources</b>							
Unearned revenue - property tax	<u>73,544</u>			<u>\$ 30,608</u>			<u>104,152</u>
<b>Fund balances</b>							
Nonspendable - inventory		4,800					4,800
Restricted							
TABOR	155,000						155,000
Food Service		24,828					24,828
Student Activities			\$ 172,565				172,565
Debt Service				682,544			682,544
Capital Improvements					\$ 11,224,834	\$ 678,445	11,903,279
Assigned for FY24 expenditures	3,970,140						3,970,140
<b>Total Fund Balances</b>	<u>4,125,140</u>	<u>29,628</u>	<u>172,565</u>	<u>682,544</u>	<u>11,224,834</u>	<u>678,445</u>	<u>16,913,156</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 4,779,652</u>	<u>\$ 45,911</u>	<u>\$ 172,565</u>	<u>\$ 713,152</u>	<u>\$ 11,224,834</u>	<u>\$ 678,445</u>	<u>\$ 17,614,559</u>

**Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position**

**Total Fund Balance Governmental Funds** \$ 16,913,156

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 8,368,216	
Accumulated depreciation	(4,277,790)	
		<u>4,090,426</u>

Long-term liabilities and related items, including net pension liability, deferred outflows of resources and deferred inflows of resources, are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

Due within one year	(385,000)	
Due in more than one year	(10,021,186)	
Net pension obligation	(4,900,747)	
Deferred outflows of resources related to pensions - net	2,102,177	
Deferred inflows of resources related to pensions - net	(873,383)	
Net OPEB plan obligation	(167,007)	
Deferred outflows of resources related to OBEB plan obligation - net	32,601	
Deferred inflows of resources related to OBEB plan obligation- net	(71,658)	
		<u>(14,284,203)</u>

**Total Net Position Governmental Activities** \$ 6,719,379

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2023

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Building Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>							
Current property taxes	\$ 2,002,142			\$ 834,401			\$ 2,836,543
Specific ownership taxes	128,548			24,632			153,180
Delinquent taxes and interest on taxes	21,701			(182)			21,519
State Equalization	1,737,835						1,737,835
State sources	385,041	\$ 6,497			\$ 530,454		921,992
Federal sources	491,297	89,108					580,405
Other	207,334	16,247	\$ 252,845	6,100	244,465	\$ 73,167	800,158
<b>Total Revenues</b>	<b>4,973,898</b>	<b>111,852</b>	<b>252,845</b>	<b>864,951</b>	<b>774,919</b>	<b>73,167</b>	<b>7,051,632</b>
<b>Expenditures</b>							
Instructional program services	2,209,986		307,052				2,517,038
Support program services							
Students	83,866						83,866
Educational Library	99,897						99,897
General administration	265,605						265,605
School administration	381,224						381,224
Business	125,167						125,167
Operations and maintenance	551,765						551,765
Student transportation	329,491						329,491
Central support	185,020						185,020
Food service operations		163,503					163,503
Facilities acquisition and construction					1,183,868	103,867	1,287,735
Other	36,707						36,707
Debt service							
Interest				182,474			182,474
<b>Total Expenditures</b>	<b>4,268,728</b>	<b>163,503</b>	<b>307,052</b>	<b>182,474</b>	<b>1,183,868</b>	<b>103,867</b>	<b>6,209,492</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in (out)	(510,326)	50,000	41,400			418,926	-
Bond and bond premium proceeds					11,633,783		11,633,783
<b>Total Other Financing Sources (Uses)</b>	<b>(510,326)</b>	<b>50,000</b>	<b>41,400</b>		<b>11,633,783</b>	<b>418,926</b>	<b>11,633,783</b>
Excess revenue and other sources over (under) expenditures and other uses	194,844	(1,651)	(12,807)	682,477	11,224,834	388,226	12,475,923
<b>Fund Balance, Beginning</b>	<b>3,930,296</b>	<b>31,279</b>	<b>185,372</b>	<b>67</b>		<b>290,219</b>	<b>4,437,233</b>
<b>Fund Balance, Ending</b>	<b>\$ 4,125,140</b>	<b>\$ 29,628</b>	<b>\$ 172,565</b>	<b>\$ 682,544</b>	<b>\$ 11,224,834</b>	<b>\$ 678,445</b>	<b>\$ 16,913,156</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

**Net Change in Fund Balances Governmental Funds** \$ 12,475,923

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$	959,837	
Depreciation expense		(193,628)	
Loss on disposal of assets		(83,663)	
			682,546

Governmental funds report debt issuance proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The net effect of these differences in the treatment of long-term debt is as follows:

Proceeds from bonds		(10,345,000)	
			(10,345,000)

Governmental funds expenditures related to pension and OPEB obligations are measured by the amount of financial resources used (essentially, the amounts actually paid to the pension plan), whereas in the Statement of Activities, they are measured on the full accrual basis. This amount represents the change in net pension liability, pension and OPEB related deferred outflows and inflows of resources.

District pension contributions		445,598	
Cost of pension benefits earned net of employee contributions		555,885	
Support from the State of Colorado		121,783	
District OPEB contributions		27,331	
Cost of OPEB benefits earned net of employee contributions		(464)	
			1,150,133

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in government funds.

(Increase) Decrease in accrued sick leave			6,287
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**Change in Net Position of Governmental Activities** \$ 3,969,889

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues from Local Sources</b>				
Current property taxes	\$ 2,402,338	\$ 2,036,848	\$ 2,002,142	\$ (34,706)
Specific ownership taxes	125,000	120,000	128,548	8,548
Delinquent taxes and interest on taxes	4,000	16,760	21,701	4,941
Tuition	2,000	4,000	6,194	2,194
Earnings on investments	1,500	40,000	91,425	51,425
Other	32,127	69,828	109,715	39,887
<b>Total Revenues from Local Sources</b>	<b>2,566,965</b>	<b>2,287,436</b>	<b>2,359,725</b>	<b>72,289</b>
<b>Revenues from State Sources</b>				
State grants from CDE				
State equalization	1,241,062	1,737,845	1,737,835	(10)
Transportation	35,136	49,076	51,035	1,959
Colorado library	3,500	4,500	4,500	-
Small rural schools	110,441	110,441	110,441	-
Additional at risk	1,300	1,300	1,876	576
Colorado read act	7,500	6,283	6,283	-
State on behalf of PERA	45,527	45,527	117,210	71,683
State grants flow through SJBoces				
Special education	42,650	13,950	24,848	10,898
Gifted and talented	3,854	6,426	7,922	1,496
SWAP		28,700	28,071	(629)
Other state grants				
Vocational education	17,462	25,900	25,900	-
CDHS Preschool	3,564	6,956	6,955	(1)
<b>Total Revenues from State Sources</b>	<b>1,511,996</b>	<b>2,036,904</b>	<b>2,122,876</b>	<b>85,972</b>
<b>Revenues from Federal Sources</b>				
Federal grants from CDE				
Title I, Part A	54,553	55,072	55,072	-
Title II, Part A Teacher Improvement	10,809	10,846	10,846	-
Title IV, Part A Student Support	10,000	10,000	10,000	-
ESSER III	231,318	207,570	197,611	(9,959)
Other			628	628
Other federal grants				
Title VI, Part B REAP - Summer School	15,663	18,481	18,481	-
Federal grants flow through SJBoces				
Perkins Grant	5,000	10,190	8,218	(1,972)
Mineral lease	25,000	33,849	33,849	-
Public school lands	125,000	125,000	156,592	31,592
<b>Total Revenues from Federal Sources</b>	<b>477,343</b>	<b>471,008</b>	<b>491,297</b>	<b>20,289</b>
<b>Total Revenues</b>	<b>4,556,304</b>	<b>4,795,348</b>	<b>4,973,898</b>	<b>178,550</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Expenditures</b>				
<b>Instructional Programs</b>				
Salaries	\$ 1,300,793	\$ 1,338,195	\$ 1,320,201	\$ 17,994
Employee benefits	592,545	630,889	585,264	45,625
Purchased services				
Professional and technical	37,100	51,966	53,467	(1,501)
Property	20,000	20,000	16,368	3,632
Other	131,845	132,355	133,193	(838)
Supplies	107,806	103,711	61,472	42,239
Property	32,500	46,200	36,454	9,746
Other	6,500	7,100	3,567	3,533
<b>Total Instructional Programs</b>	<b>2,229,089</b>	<b>2,330,416</b>	<b>2,209,986</b>	<b>120,430</b>
<b>Support Services</b>				
<b>Students</b>				
Salaries	76,619	76,619	51,344	25,275
Employee benefits	40,387	41,307	31,354	9,953
Supplies	2,000	2,000	1,168	832
Other	500	500		500
<b>Total Students</b>	<b>119,506</b>	<b>120,426</b>	<b>83,866</b>	<b>36,560</b>
<b>Education Library Services</b>				
Salaries	41,063	41,063	39,794	1,269
Employee benefits	21,090	21,550	23,011	(1,461)
Purchased services				
Professional and technical	18,890	7,200	3,820	3,380
Supplies	18,950	34,607	33,272	1,335
<b>Total Education Library Services</b>	<b>99,993</b>	<b>104,420</b>	<b>99,897</b>	<b>4,523</b>
<b>General Administration</b>				
Salaries	121,304	123,434	124,604	(1,170)
Employee benefits	66,947	68,633	77,501	(8,868)
Purchased services				
Professional and technical	44,200	67,200	51,053	16,147
Property	5,000	5,000	1,535	3,465
Other	9,500	9,500	1,009	8,491
Supplies	2,000	3,000	1,959	1,041
Property	2,000	2,000		2,000
Other	8,500	8,500	7,944	556
<b>Total General Administration</b>	<b>259,451</b>	<b>287,267</b>	<b>265,605</b>	<b>21,662</b>

The accompanying notes to the financial statements are an integral part of this statement.



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>School Administration</b>				
Salaries	\$ 243,460	\$ 248,704	\$ 244,244	\$ 4,460
Employee benefits	111,572	115,078	127,204	(12,126)
Purchased services				
Other	1,400	1,400		1,400
Supplies	13,350	11,692	3,863	7,829
Other	5,887	5,887	5,913	(26)
<b>Total School Administration</b>	<b>375,669</b>	<b>382,761</b>	<b>381,224</b>	<b>1,537</b>
<b>Business Services</b>				
Salaries	71,785	71,785	71,939	(154)
Employee benefits	33,080	33,769	37,164	(3,395)
Purchased services				
Professional and technical	100	100	105	(5)
Other	4,950	4,950	3,333	1,617
Supplies	9,000	13,000	11,912	1,088
Property	1,000	1,000	239	761
Other	500	500	475	25
<b>Total Business Services</b>	<b>120,415</b>	<b>125,104</b>	<b>125,167</b>	<b>(63)</b>
<b>Operations and Maintenance</b>				
Salaries	204,067	213,937	195,153	18,784
Employee benefits	101,991	106,564	107,878	(1,314)
Purchased services				
Professional and technical		1,500	1,350	150
Property	71,600	71,600	51,523	20,077
Other	38,500	37,500	28,641	8,859
Supplies	155,000	166,635	163,162	3,473
Property	8,000	8,000	4,058	3,942
<b>Total Operations and Maintenance</b>	<b>579,158</b>	<b>605,736</b>	<b>551,765</b>	<b>53,971</b>
<b>Student Transportation</b>				
Salaries	175,455	179,317	170,436	8,881
Employee benefits	59,088	59,924	62,874	(2,950)
Purchased services				
Professional and technical	1,800	1,800	1,416	384
Property	2,500	3,000	3,769	(769)
Other	3,000	6,500	4,923	1,577
Supplies	92,000	92,000	85,234	6,766
Property	3,000	3,000	839	2,161
<b>Total Student Transportation</b>	<b>336,843</b>	<b>345,541</b>	<b>329,491</b>	<b>16,050</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Central Support</b>				
Salaries	\$ 35,588	\$ 38,312	\$ 36,076	\$ 2,236
Employee benefits	19,051	20,139	21,838	(1,699)
Purchased services				
Professional and technical	3,000	2,800	2,220	580
Property	1,500	1,500		1,500
Other	114,241	119,741	110,614	9,127
Supplies	17,800	19,800	13,748	6,052
Property	5,000	5,000	524	4,476
<b>Total Central Support</b>	<b>196,180</b>	<b>207,292</b>	<b>185,020</b>	<b>22,272</b>
<b>Other Support Services</b>				
Salaries		11,200	36,112	(24,912)
Employee benefits		185	595	(410)
<b>Other Support Services</b>		<b>11,385</b>	<b>36,707</b>	<b>(25,322)</b>
<b>Appropriated reserves</b>	<b>3,390,000</b>	<b>3,686,370</b>		<b>3,686,370</b>
<b>Total Expenditures</b>	<b>7,706,304</b>	<b>8,206,718</b>	<b>4,268,728</b>	<b>3,937,990</b>
Excess revenue over (under) expenditures	(3,150,000)	(3,411,370)	705,170	4,116,540
<b>Other Financing Sources (Uses)</b>				
Transfers out - Food Service Fund	(100,000)	(60,000)	(50,000)	10,000
Transfers out - Student Activity Fund	(40,000)	(40,000)	(41,400)	(1,400)
Transfers out - Capital Projects Fund	(100,000)	(418,926)	(418,926)	-
<b>Other Financing Sources (Uses)</b>	<b>(240,000)</b>	<b>(518,926)</b>	<b>(510,326)</b>	<b>8,600</b>
<b>Net Change in Fund Balance</b>	<b>(3,390,000)</b>	<b>(3,930,296)</b>	<b>194,844</b>	<b>4,125,140</b>
<b>Fund Balance, Beginning</b>	<b>3,390,000</b>	<b>3,930,296</b>	<b>3,930,296</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,125,140</b>	<b>\$ 4,125,140</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
FOOD SERVICE FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues from Local Sources</b>				
Charges for services	\$ 11,800	\$ 13,000	\$ 15,814	\$ 2,814
Other local		500	433	(67)
<b>Total Revenues from Local Sources</b>	<b>11,800</b>	<b>13,500</b>	<b>16,247</b>	<b>2,747</b>
<b>Revenues from State Sources</b>				
State grants from CDE	2,440	3,400	6,497	3,097
<b>Total Revenues from State Sources</b>	<b>2,440</b>	<b>3,400</b>	<b>6,497</b>	<b>3,097</b>
<b>Revenues from Federal Sources</b>				
National School Lunch Program	33,500	47,500	37,488	(10,012)
National School Breakfast Program		13,000	10,967	(2,033)
Supple Chain Assistance		15,560	15,560	-
Seamless Summer Option - Breakfast		4,996	4,996	-
Seamless Summer Option - Lunch		18,077	18,077	-
Commodities	5,000	3,000	2,020	(980)
<b>Total Revenues from Federal Sources</b>	<b>38,500</b>	<b>102,133</b>	<b>89,108</b>	<b>(13,025)</b>
<b>Total Revenues</b>	<b>52,740</b>	<b>119,033</b>	<b>111,852</b>	<b>(7,181)</b>
<b>Expenditures</b>				
Food services				
Salaries	59,319	60,319	61,339	(1,020)
Employee benefits	35,134	36,284	39,987	(3,703)
Purchased services				
Professional		200	96	104
Property		400		400
Other				-
Supplies	57,287	70,800	61,483	9,317
Property	1,000	1,000	598	402
Other				-
Appropriated reserves	25,462	41,309		41,309
<b>Total Expenditures</b>	<b>178,202</b>	<b>210,312</b>	<b>163,503</b>	<b>46,809</b>
Excess revenue over (under) expenditures	(125,462)	(91,279)	(51,651)	39,628
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	100,000	60,000	50,000	(10,000)
Excess of revenues and other sources over (under) expenditures and other uses	(25,462)	(31,279)	(1,651)	29,628
<b>Fund Balance, Beginning</b>	<b>25,462</b>	<b>31,279</b>	<b>31,279</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,628</b>	<b>\$ 29,628</b>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND  
 STUDENT ACTIVITY FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Budget		(Unfavorable)
<b>Revenues</b>				
Student activities	\$ 180,000	\$ 200,000	\$ 252,845	\$ 52,845
<b>Total Revenues</b>	<u>180,000</u>	<u>200,000</u>	<u>252,845</u>	<u>52,845</u>
<b>Expenditures</b>				
Instruction				
Purchased services				
Other		125,000	161,087	(36,087)
Supplies	220,000	95,000	145,965	(50,965)
Property		20,000		20,000
Appropriated reserves	168,208	185,372		185,372
<b>Total Expenditures</b>	<u>388,208</u>	<u>425,372</u>	<u>307,052</u>	<u>118,320</u>
Excess revenue over (under) expenditures	(208,208)	(225,372)	(54,207)	171,165
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	40,000	40,000	41,400	1,400
Excess of revenues and other sources over (under) expenditures and other uses	(168,208)	(185,372)	(12,807)	172,565
<b>Fund Balance, Beginning</b>	168,208	185,372	185,372	-
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,565</u>	<u>\$ 172,565</u>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
June 30, 2023

	Business-type Activities
	<u>Teacherage Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash in banks	\$ 61,764
<b>Total Current Assets</b>	<u>61,764</u>
<b>Noncurrent Assets</b>	
Buildings	116,209
Accumulated depreciation	(90,698)
<b>Total Noncurrent Assets</b>	<u>25,511</u>
<b>Total Assets</b>	<u>87,275</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Deposits payable	600
<b>Total Current Liabilities</b>	<u>600</u>
<b>Net Position</b>	
Net investment in capital assets	25,511
Unrestricted	61,164
<b>Total Net Position</b>	<u>\$ 86,675</u>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
For the Year Ended June 30, 2023

	Business-type Activities
	<u>Teachorage Fund</u>
<b>Operating Revenues</b>	
Rents	\$ 30,827
<b>Total Operating Revenues</b>	<u>30,827</u>
<b>Operating Expenses</b>	
Purchased services	
Property	5,183
Supplies	8,928
Other	268
Depreciation	1,028
<b>Total Operating Expenses</b>	<u>15,407</u>
Operating income (loss)	<u>15,420</u>
<b>Nonoperating Revenues (Expenses)</b>	
Local sources	
Earnings on investments	1,346
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,346</u>
Income (loss) before operating transfers	<u>16,766</u>
Net Income (Loss)	16,766
<b>Net Position, Beginning</b>	69,909
<b>Net Position, Ending</b>	<u><u>\$ 86,675</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
For the Year Ended June 30, 2023

	<u>Business-type</u>
	<u>Activities</u>
	<u>Teacherage</u>
	<u>Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received for and rents	\$ 30,827
Cash payments to suppliers for goods and services	(14,379)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>16,448</u>
<b>Cash Flows From Investing Activities</b>	
Earnings on investments	1,346
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,346</u>
<b>Net increase (decrease) in cash and cash equivalents equivalents</b>	17,794
<b>Cash and Cash Equivalents, Beginning</b>	43,970
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 61,764</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities</b>	
Operating income (loss)	\$ 15,420
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,028
Total adjustments	<u>1,028</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 16,448</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

### **Note 1 - Summary of Significant Accounting Policies**

The financial statements of Dolores County (Dove Creek) School District RE-2J (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied in the preparation of the accompanying financial statements.

#### **The Financial Reporting Entity**

The District is governed by the Board of Education ("Board") and is organized and operates in accordance with Colorado statutes. Board members are elected by the citizens of the District, not appointed by any other governing body. The Board selects the superintendent of schools. The Board is solely responsible for the District's budget adoption process. The District has the authority to levy taxes and issue debt. The District meets the criteria of a primary government; its' board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other government reporting entity. In addition, there are no component units as defined the GASB Statements 14, 39 and 61, which are included in the District's reporting entity.

#### **Government-wide and Fund Financial Statement Presentation**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information on all the non-fiduciary activities of the primary government. The effect of Interfund activities has been removed from these statements. These statements distinguish between the governmental and business-type activities of the District. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are financed, to a significant extent, by fees and charges.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.



# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual funds represent the District's most important funds and are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds. The District has no fiduciary funds. The District considers all their funds important, due to the size of the District, and therefore has no non-major funds.

### **Measurement Focus and Basis of Accounting**

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

The effect of interfund activity has generally been eliminated from the government-wide financial statements. Exceptions to this are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Governmental Funds** are used to account for the District's general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, charges for services and expended grants associated with the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

The accounts of the District are organized and operated based on funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2023

The District reports the following major governmental funds:

### **Major Governmental Funds**

**The General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and the Colorado Department of Education equalization funding, as determined by the School Finance Act of 1994, as amended. Expenditures include all costs associated with the daily operation of the schools, except for programs funded by certain capital outlay expenditures, food service expenditures, extracurricular athletic and pupil activities, and insurance transactions.

**The Food Service Fund** is a special revenue fund used to account for the financial transactions related to the food service operations of the District. The major source of revenue are food service grants.

**The Student Activity Fund** is a special revenue fund used to account for the financial transactions related to student activities of the District.

**The Bond Redemption Fund** is a debt service fund, which accounts for the resources accumulated and the payments made for principal and interest on long-term general obligation debt of governmental funds.

**The Building Fund** is used for the construction of a replacement elementary school, maintaining and improving an existing memorial hall gymnasium and removing the existing elementary school. This was approved by the voters of the District in an election held November 8, 2022.

**The Capital Reserve Capital Projects Fund** is used to account for the accumulation of resources and expenditures of resources for capital improvements within the District.

**Proprietary Funds** distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods relating to a proprietary fund's principal ongoing operations. The principal revenues of the District's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **Major Proprietary Funds**

**Enterprise Funds** are used to account for those operations financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, cost incurred, and net income is necessary for management accountability. The District reported the following major business-type funds.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**Teacherage Fund** accounts for residential rentals owned by the District that are rented to District teachers.

### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity**

#### **Cash and Cash Equivalents**

For the purpose of the statement of cash flows of the enterprise funds the cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments which are subject to withdrawal.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

#### **Inventories**

Inventories purchased by the Food Service Fund are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at USDA's assigned value, which approximate fair value at the date of receipt. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs.

#### **Capital Assets**

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The District maintains a capitalization threshold of \$25,000 for major outlays for buildings and improvements. The District does not possess any infrastructure.

The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not capitalized.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	40 Years
Furniture and Equipment	5-15 Years	5-15 Years
Vehicles	8 Years	N/A

**Deferred Outflows/Inflows of Resources**

In additions to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until that time.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Accrued Salaries and Benefits Payable**

Accrued salaries and benefits payable represent the liability to teachers and certain other employees who earn their salaries over the nine- or ten-month school year but are paid over a twelve-month period. Changes in the accrual are reflected in expenditures or expense on the applicable fund’s statement of revenue, expenditures and changed in fund balance.

**Compensated Absences**

Under the District’s policies, employees earn discretionary leave and sick leave based on longevity of services or position.

The number of vacation days for full time support staff employees is two weeks per year after the completion of one year on the job and three weeks per year after the completion of five years on the job. After six years, the employee shall be granted three weeks paid vacation per year. Vacations normally must be taken during the summer months unless special arrangements are made with the immediate supervisor. Vacation time can be accrued and carried over into another year at a maximum of five days.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Full time employees will be entitled to ten days of paid discretionary leave each year. Part time employees will be entitled to discretionary leave on a pro-rated basis. Paid discretionary leave may be accumulated up to a maximum of sixty days. Employees who have accumulated more than 60 days of discretionary leave will be reimbursed at one-half the daily substitute rate of pay for each excess day of leave. Employees with at least five years of district employment who leave the district will be reimbursed for unused discretionary leave at one-half the daily substitute rate up to the maximum sixty days.

Accumulated discretionary leave and vacation leave for employees who qualify for reimbursement upon leaving the District is shown as a long-term liability of the District.

### **Long-term Obligations**

The District does not have any long-term obligations other than accrued compensated absences. The District has adopted GASB 87 for leases. The District does not have any leases that meet the materiality threshold of capitalization maintained by the District.

### **Net Position**

The net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- Net investment in capital assets represents capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of restricted assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- Unrestricted consists of the net amounts of assets, deferred outflows and inflows or resources and liabilities that are not included in the determination of net investment in capital assets or the restricted components of the net position.

When determining categories of net position, it is assumed that the type of expenditure determines the primary use of net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted fund to have been spent first.

### **Fund Balance**

The fund balances of the governmental funds are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent as follows.

- Nonspendable fund balance represents assets that cannot be spent because of their form or legally or contractually must be maintained intact.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

- Restricted fund balance reflects resources that are subject to externally enforceable legal limitations.
- Committed fund balance is the portion that is limited to specific purposes determined by a formal action of the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned fund balance displays the District's intended use of these resources. The assigned fund balance amounts are assigned by the Board of Education, per the District policy.
- Unassigned fund balance represents resources with residual net resources.

When determining categories of fund balance, it is assumed that the type of expenditure determines the primary use of fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. Once the commitment or assignment is satisfied unassigned resources are used.

### **Defined Benefit Pension Plan**

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

### **Defined Benefit Other Post Employment Benefit (OPEB) Plan**

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

### **Inter-fund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2023

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources, revenues, and expenditures (expenses). Actual results could differ from those estimates and assumptions used.

### **Property Taxes**

Property taxes for a calendar year are certified by the Board of Education by December 15 and levied on assessed valuation by the county commissioners by December 22, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The county bills and collects property taxes for all taxing districts in the county. The property tax receipts collected by the county are remitted to the District in the subsequent month.

### ***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales related to the rental of houses in the Teacherage Fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is employed by the District. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year

### **Note 2 - Cash and Investments**

**Custodial Credit Risk** for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. However, there is no custodial risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

For investments, custodial risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools. The District has no investments exposed to custodial credit risk.

**Interest Rate Risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Colorado revised statutes limits investment maturities to five years or less. The District has no investments exposed to interest rate risk.

**Credit Risk** is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk in the portfolio is minimized by investing the majority of asset in US Treasury and Instrumentalities which have the support of US government and failure to receive maturing funds is remote. The District has no investments exposed to credit risk.

On June 30, 2023, the District had investments in one local governmental investment pool, the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form.

COLOTRUST is rated AAAM from Standard and Poor's. Financial statements for COLOTRUST may be obtained at [www.colotruster.com](http://www.colotruster.com).

On June 30, 2023, the carrying amount of the District's cash and investments was \$17,223,014. The District's bank balances were \$1,506,844; the COLOTRUST balances were \$15,940,910. The District's bank balances on June 30, 2023 and during the year ended June 30, 2023 were entirely covered by FDIC insurance or pledged collateral held by the District's agent banks in the name of governmental accounts of which the District is a part.



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**Note 3 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 follows:

	Capital Assets			Capital Assets
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
<b>Governmental Activities</b>				
Buildings and Improvements	\$ 6,593,670	\$ 959,837	\$ (363,625)	\$ 7,189,882
Equipment	1,379,699		(201,365)	1,178,334
Less Accumulated Depreciation	(4,565,489)	(193,628)	481,327	(4,277,790)
<b>Total Governmental Activities</b>	<u>3,407,880</u>	<u>766,209</u>	<u>(83,663)</u>	<u>4,090,426</u>
<b>Business-type Activities</b>				
Buildings and Improvements	116,209			116,209
Less Accumulated Depreciation	(89,670)	(1,028)		(90,698)
<b>Total Business-type Activities</b>	<u>26,539</u>	<u>(1,028)</u>	<u>-</u>	<u>25,511</u>
<b>Total District</b>	<u>\$ 3,434,419</u>	<u>\$ 765,181</u>	<u>\$ (83,663)</u>	<u>\$ 4,115,937</u>

Depreciation expense was charged as a direct expense to the following governmental programs:

Transportation	\$ 48,715
Operations and Maintenance	5,417
Unallocated	139,496
<b>Total depreciation governmental activities</b>	<u>\$ 193,628</u>

**Note 4 - Accrued Salaries**

Certified instructors of the District are contracted for nine- or ten-months annually between Labor Day and June 1. These instructors, while only working nine or ten months, are paid for their services in twelve equal monthly installments. On June 30 of each year they have completed their entire contract but have only received 10/12 of the related compensation with the difference to be paid over the summer break. The difference, totaling \$448,462 is reflected as an accrued expense on June 30.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**Note 5 - Long Term Debt**

**Series 2023 General Obligation Bonds** - Proceeds from the sale of the Bonds, together with proceeds from the District's BEST Grant, will be used to finance the construction, installation and equipping of capital projects approved by District voters at an election held on November 8, 2022. The Bonds are general obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the Bonds when due. The Bonds are payable in semi-annual installments and bear interest at 5%. The repayment of the Bonds is accounted for in the Debt Service Fund.

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30	Series 2023 General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 385,000	\$ 507,625	\$ 892,625
2025	325,000	489,875	814,875
2026	345,000	473,125	818,125
2027	360,000	455,500	815,500
2028	380,000	437,000	817,000
2029-2033	2,185,000	1,875,125	4,060,125
2034-2038	2,795,000	1,255,625	4,050,625
2039-2042	3,570,000	463,750	4,033,750
<b>Total</b>	<b>\$ 10,345,000</b>	<b>\$ 5,957,625</b>	<b>\$ 16,302,625</b>

**Changes in Long-Term Debt**

A summary of changes in general long-term debt follows:

Description	Balance			Balance June 30, 2023
	July 1, 2022	Additions	Deletions	
General Obligation Bonds	\$ -	\$ 10,345,000		\$ 10,345,000
Accrued compensated absences	67,473		\$ (6,287)	61,186
<b>Total</b>	<b>\$ 67,473</b>	<b>\$ 10,345,000</b>	<b>\$ (6,287)</b>	<b>\$ 10,406,186</b>

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**Note 6 - Inter-fund Operating Allocations/Transfers**

A summary of Inter-fund balances are as follows:

The Transfers were made with the purpose of subsidizing the Funds.

<u>Transfers</u>	<u>In</u>	<u>Out</u>
Governmental Activities		
General Fund		\$ (510,326)
Food Service Fund	\$ 50,000	
Student Activity Fund	41,400	
Capital Projects Fund	418,926	
Total Transfers	<u>\$ 510,326</u>	<u>\$ (510,326)</u>

**Note 7 - Fund Balance Restrictions and Assignments**

Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose of the Board of Education but are not spendable until appropriated. The District uses the following restrictions and assignments.

**Restricted**

**TABOR** is required by an amendment to the State Constitution, Article X; Section 20, known as the Tabor Amendment, which requires local government units to establish emergency reserves. The designation is a minimum of three percent of the current fiscal year eligible expenditures. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Fund balance reserved for emergencies consists of \$155,000 in the General Fund.

**Food Service** is the amounts to be used for future food service of the District. \$24,828 is restricted in the Food Service Fund.

**Student Activities** is the amounts to be used for future student activities of the District. \$172,565 restricted in the Student Activities Fund.

**Debt Service** is the amounts to be used for future repayment of the District's outstanding bond. Fund balance restricted for debt service consists of \$682,544 in the Bond Redemption Fund.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

**Capital Improvements** is the amounts to be used for future capital improvements of the District. \$678,544 is restricted in the Capital Reserve Capital Projects Fund and \$11,224,834 is restricted for capital projects approved by the District voters in the Building Fund.

**Assigned**

**Assigned for Future Expenditures** – indicates anticipated fund balances available for appropriation in the next budget year. Fund balances assigned for future expenditures consist of the following:

General Fund	\$ 3,970,140
Total	<u><u>\$ 3,970,140</u></u>

**Note 8 - Budgets and Budgetary Accounting**

The District is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (GAAP basis) as that used for accounting purposes, except for the Enterprise Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the Business Manager submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to June 30, the budget is legally adopted through passage of a resolution by the Board of Directors. However, the Board can review and change the adopted budget through January 31.

Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is employed by the District. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors throughout the year. Following is a summary of the revised budget, actual amount spent and variance.

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Governmental Activities			
General Fund	\$ 8,725,644	\$ 4,779,054	\$ 3,946,590
Food Service Fund	\$ 210,312	\$ 163,503	\$ 46,809
Student Activity Fund	\$ 425,372	\$ 307,052	\$ 118,320
Bond Redemption Fund	\$ 870,000	\$ 182,474	\$ 687,526
Building Fund	\$ 24,282,475	\$ 1,183,868	\$ 23,098,607
Capital Projects Fund	\$ 777,645	\$ 103,867	\$ 673,778
Business-type Activities			
Teacherage Fund	\$ 69,871	\$ 14,379	\$ 55,492

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

### Note 9 – Jointly Governed Organization

The District is a participant among eight school districts in a jointly governed organization to operate the San Juan Board of Cooperative Educational Services (SJBOCES). The SJBOCES is a regional education service unit created under the “Board of Cooperative Services Act of 1965” of the Colorado Revised Statutes. The BOCES provides unique education services that the member districts could not provide individually on a cost-effective basis. The BOCES governing board is made up of representatives from each member district’s board. The governing board control budgeting and fiscal matters. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained at [www.sjboces.org](http://www.sjboces.org) The District had no debt with BOCES at year end.

### Note 10 – Defined Benefit Pension Plan

**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 comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

**Benefits Provided** – as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

In all cases the service retirement benefit is limited to 100 percent 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 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2023

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, 2023:** 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, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

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 \$445,598 for the year ended June 30, 2023.

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

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

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

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

At June 30, 2023, the District reported a liability of \$4,900,747 for its proportionate share of the net pension liability. 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:

District's proportionate share of the net pension liability	\$ 4,900,747
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,428,127
Total	<u><u>\$ 6,328,874</u></u>

On December 31, 2022, the District's proportion was .0269131825 percent, which was a decrease of .0043516196 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(1,123,261) and revenue of \$121,782 for the support from the State as a nonemployer contributing entity. On June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 46,380	
Changes in assumptions or other inputs	86,808	
Net difference between projected and actual earnings on pension plan investments	1,531,733	\$ 873,383
Changes in proportion and differences between contributions recognized and proportionate share of contributions	206,333	
Contributions subsequent to the measurement date	230,923	
 Total	 <u>\$ 2,102,177</u>	 <u>\$ 873,383</u>

\$230,923 reported as deferred outflows related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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,	
2024	\$ 122,517
2025	184,330
2026	308,091
2027	382,933
 Total	 <u>\$ 997,871</u>

**Actuarial Assumptions** – The TLP in the December 31, 2021 actuarial valuation was determined using the following cost method, actuarial assumptions and other inputs:

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

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	7.25%
investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation was based on the results

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

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- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

## NOTES TO THE FINANCIAL STATEMENTS

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

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

	1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25)
Proportionate share of the net pension liability	\$ 6,413,392	\$ 4,900,747	\$ 3,637,533

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

### **Note 11 – Defined Contribution Pension Plan**

#### **Voluntary Investment Program**

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District has not agreed to match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$5,945 to the Voluntary Investment Program.

# DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

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### **Note 12 – Other Post-Employment Benefits**

**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, Colorado State law provisions may be amended from time to time by the Colorado General Assembly, Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly, PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/per-financial-reports](http://www.copera.org/investments/per-financial-reports).

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

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### NOTES TO THE FINANCIAL STATEMENTS

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credit. There is a 5 percent 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.

**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 percent 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 District were \$22,301 for the year ended June 30, 2023.

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

At June 30, 2023 the District reported a liability of \$167,007 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was .0204545656 percent, which was an increase of .0000403578 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023 the District recognized OPEB expense of \$(26,867). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22	\$ 40,388
Changes in assumptions or other inputs	2,684	18,432
Net difference between projected and actual earnings on pension plan investments	18,318	8,117
Changes in proportion and differences between contributions recognized and proportionate share of contributions		4,721
Contributions subsequent to the measurement date	11,577	
 Total	 <u>\$ 32,601</u>	 <u>\$ 71,658</u>

\$11,577 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, 2024. 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,	
2024	\$ (20,972)
2025	(16,009)
2026	(7,256)
2027	(1,088)
228	(4,326)
2029	(983)
 Total	 <u>\$ (50,634)</u>

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



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

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

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

**Age-Related Morbidity Assumptions**

<b>Participant Age</b>	<b>Annual Increase</b>	<b>Annual Increase</b>
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and	0.0%	0.0%

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

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

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

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

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

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

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

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

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

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

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

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

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

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

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.

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

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

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

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

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

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

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS

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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.

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

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability	\$ 162,280	\$ 167,007	\$ 172,151

## DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 percent. There was no change in the discount rate from the prior measurement date.



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

NOTES TO THE FINANCIAL STATEMENTS

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**Sensitivity of the District 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 percent, 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 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 193,611	\$ 167,007	\$ 144,253

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

**Note 13 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Colorado School Districts Self-Insurance Pool (CSDSIP). The CSDSIP was formed in 1981, when Colorado state regulators authorized the organization's creation, in response to shortcomings in the commercial insurance market. The CSDSIP provides member school districts and related educational facilities with defined property and liability coverage through joint self-insurance and excess insurance.

The District continues to carry commercial insurance for all other risks of loss including worker's compensation and employee health and accident insurance. There have been no settled claims that have exceeded insurance coverage in any of the past three fiscal years. There have been no significant decreases in insurance coverage from the prior year.

**Note 14 - Tax, Spending, and Debt Limitations**

Colorado Voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On November 5, 1996, the people of the District voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenue, including state grants and taxes, generated during fiscal year 1997 and for each subsequent year regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with all other requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

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### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

On November 3, 2015, the voters approved a mill levy override. The taxes may be increased by \$350,000 in the first full fiscal year (2016) and whatever amounts are raised annually thereafter by the imposition of an additional mill levy not to exceed 3 mills upon taxable real property within the District. On November 2, 2022 the District voters approved a permanent property tax override of 3 mills.

#### **Note 15 – Compliance with the Financial Policies and Procedures Handbook**

The school district is complying with the provisions of section 22-44-204(3), C.R.S., concerning the use of the Financial Policies and Procedures Handbook adopted by the State Board of Education." C.R.S. 29-1-603

#### **Note 16 - Commitments and Contingent Liabilities**

The District had received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. District management believes that disallowance, if any, would be immaterial to the basic financial statements.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2023

Required supplementary information includes financial information disclosure that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Schedule of the District's Pension Contributions

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

Schedule of the District's Other Post Employment Benefits (OPEB) Plan Contributions

Schedule of the District's Proportionate Share of the Net Other Post Employment  
Benefit (OPEB) Plan Liability

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**  
 Schedule of the District's Pension Contributions

For the Years Ended June 30  
 Last 10 Years\*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 269,556	\$ 293,595	\$ 315,493	\$ 353,622	\$ 344,390	\$ 343,863	\$ 363,502	\$ 388,256	\$ 391,944	\$ 445,598
Contributions in relation to the contractually required contribution	269,556	293,595	315,493	353,622	344,390	343,863	363,502	388,256	391,944	445,598
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,686,593	\$ 1,738,432	\$ 1,778,896	\$ 1,923,600	\$ 1,823,894	\$ 1,797,486	\$ 1,875,657	\$ 1,952,992	\$ 1,971,548	\$ 2,186,445
Contributions as a percentage of covered payroll	15.98%	16.89%	17.74%	18.38%	18.88%	19.13%	19.38%	19.88%	19.88%	20.38%

Notes to Required Supplemental Information  
 See Note 10 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**  
Schedule of the Districts' Proportionate Share of the Net Pension Liability

For the Years Ended June 30

Last 10 Years\*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.04099029%	0.04059932%	0.04057857%	0.04109908%	0.04074981%	0.32533821%	0.03174084%	0.03527397%	0.03126580%	0.02691318%
District's proportionate share of the Net Pension Liability	\$ 5,228,300	\$ 5,502,571	\$ 6,206,206	\$ 12,236,786	\$ 13,177,041	\$ 5,760,781	\$ 4,742,012	\$ 5,332,713	\$ 3,638,516	\$ 4,900,747
District's share of the State of Colorado's share of the Net Pension Liability as nonemployer contributing entity						\$ 787,707	\$ 601,464	\$ -	\$ 417,109	\$ 1,428,127
Total Net Pension Liability						\$ 6,548,488	\$ 5,343,476	\$ 5,332,713	\$ 4,055,625	\$ 6,328,874
District's covered payroll	\$ 1,686,563	\$ 1,738,432	\$ 1,778,896	\$ 1,923,600	\$ 1,823,894	\$ 1,788,557	\$ 1,875,657	\$ 1,952,992	\$ 1,954,015	\$ 2,186,445
District's proportionate share of the net pension liability as a percentage of its covered payroll	310.00%	316.52%	348.88%	636.14%	722.47%	366.13%	284.89%	273.05%	207.55%	289.46%
Plan fiduciary net position as a percentage of the total pension liability	62.84%	64.07%	59.20%	43.13%	43.96%	57.01%	64.52%	66.99%	74.86%	61.79%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

Notes to Required Supplemental Information

See Note 10 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**  
 Schedule of the District's Other Post Employment Benefits (OPEB) Plan Contributions

For the Years Ended June 30

Last 10 Years\*

	2017	2018	2019	2020	2021	2022	2023
Contractually required contributions	\$ 19,620	\$ 18,604	\$ 18,335	\$ 19,132	\$ 19,921	\$ 20,109	\$ 22,301
Contributions in relation to the statutory contractually contribution	19,620	18,604	18,335	19,132	19,921	20,109	22,301
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 1,923,600	\$ 1,823,894	\$ 1,797,486	\$ 1,875,657	\$ 1,952,992	\$ 1,971,548	\$ 2,186,445
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

\* Fiscal year 2018 was the 1st year of implementation. Information in not available for years prior to 2017.

Notes to Required Supplemental Information

See Note 12 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**  
 Schedule of the District's Proportionate Share of the Net Other Post Employment Benefit (OPEB) Plan Liability

For the Years Ended June 30

Last 10 Years\*

	2017	2018	2019	2020	2021	2022	2022
District's proportion of the net OPEB plan liability	0.23361242%	0.23153882%	0.02114714%	0.02074414%	0.02039882%	0.02041421%	0.02045457%
District's proportionate share of the Net OPEB plan liability	\$ 302,886	\$ 300,908	\$ 287,716	\$ 233,164	\$ 193,835	\$ 176,033	\$ 167,007
District's covered payroll	\$ 1,923,600	\$ 1,823,894	\$ 1,788,557	\$ 1,875,657	\$ 1,952,992	\$ 1,954,015	\$ 2,186,445
District's proportionate share of the net OPEB plan liability as a percentage of its covered payroll	15.75%	16.50%	16.09%	12.43%	9.93%	9.01%	7.64%
Plan fiduciary net position as a percentage of the total OPEB plan liability	20.07%	21.25%	17.03%	24.49%	32.78%	39.40%	38.57%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

\* Fiscal year 2018 was the 1st year of implementation. Information is not available for years prior to 2017.

Notes to Required Supplemental Information

See Note 12 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

**SUPPLEMENTARY INFORMATION**

June 30, 2023

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedules

Debt Service Fund

Bond Redemption Fund

Building Fund

Capital Reserve Capital Projects Fund

Proprietary Fund

Enterprise Fund

Teacherage Fund



**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 BOND REDEMPTION FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Current property tax		\$ 865,000	\$ 834,401	\$ (30,599)
Specific ownership tax			24,632	24,632
Delinquent taxes and interest on taxes			(182)	(182)
Earnings on investments		5,000	6,100	1,100
<b>Total Revenues</b>		<u>870,000</u>	<u>864,951</u>	<u>(5,049)</u>
<b>Expenditures</b>				
Other				
Purchased services				
Professional and technical		7,000		7,000
Debt Service				
Principal		385,000		385,000
Interest		442,000	182,474	259,526
Appropriated reserves		36,000		36,000
<b>Total Expenditures</b>		<u>870,000</u>	<u>182,474</u>	<u>687,526</u>
Excess of revenues and other sources over (under) expenditures and other uses			- 682,477	682,477
<b>Fund Balance, Beginning</b>			- 67	67
<b>Fund Balance, Ending</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,544</u>

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
BUILDING FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues from Local Sources</b>				
Earnings on investments			\$ 244,465	\$ 244,465
<b>Total Revenues from Local Sources</b>			<u>244,465</u>	<u>244,465</u>
<b>Revenues from State Sources</b>				
State grants from CDE BEST Grant		\$ 12,648,692	530,454	(12,118,238)
<b>Total Revenues from State Sources</b>		<u>12,648,692</u>	<u>530,454</u>	<u>(12,118,238)</u>
<b>Total Revenues</b>		<u>12,648,692</u>	<u>774,919</u>	<u>(11,873,773)</u>
<b>Expenditures</b>				
<b>Facilities Acquisition and Construction</b>				
Purchased services				
Professional and technical		213,450	213,307	143
Property		808,099	10,725	797,374
Property		21,462,519	959,836	20,502,683
Appropriated reserves		1,798,407		1,798,407
<b>Total Expenditures</b>		<u>24,282,475</u>	<u>1,183,868</u>	<u>23,098,607</u>
Excess revenue over (under) expenditures		<u>(11,633,783)</u>	<u>(408,949)</u>	<u>11,224,834</u>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds		10,345,000	10,345,000	-
Bond Premium Proceeds		1,288,783	1,288,783	-
<b>Total Other Financing Sources (Uses)</b>		<u>11,633,783</u>	<u>11,633,783</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses		<u>-</u>	<u>11,224,834</u>	<u>11,224,834</u>
<b>Fund Balance, Beginning</b>		-	-	-
<b>Fund Balance, Ending</b>		<u>\$ -</u>	<u>\$ 11,224,834</u>	<u>\$ 11,224,834</u>

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL  
 CAPITAL RESERVE CAPITAL PROJECTS FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues from Local Sources</b>				
Earnings on investments		\$ 3,000	\$ 6,867	\$ 3,867
Sale of assets		65,500	66,300	800
<b>Total Revenues from Local Sources</b>		<u>68,500</u>	<u>73,167</u>	<u>4,667</u>
<b>Expenditures</b>				
<b>Facilities Acquisition and Construction</b>				
Professional services		20,000		20,000
Property	\$ 100,000	230,000	103,867	126,133
Appropriated reserves	251,000	527,645		527,645
<b>Total Expenditures</b>	<u>351,000</u>	<u>777,645</u>	<u>103,867</u>	<u>673,778</u>
Excess revenue over (under) expenditures	(351,000)	(709,145)	(30,700)	678,445
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	100,000	418,926	418,926	-
Excess of revenues and other sources over (under) expenditures and other uses	(251,000)	(290,219)	388,226	678,445
<b>Fund Balance, Beginning</b>	251,000	290,219	290,219	-
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,445</u>	<u>\$ 678,445</u>

**DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET (NON GAAP BASIS) AND ACTUAL  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
TEACHERAGE FUND  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Operating Revenues</b>				
Rents	\$ 17,500	\$ 25,500	\$ 30,827	\$ 5,327
<b>Total Operating Revenues</b>	<u>17,500</u>	<u>25,500</u>	<u>30,827</u>	<u>5,327</u>
<b>Operating Expenses</b>				
Purchased services				
Property	6,000	12,000	5,183	6,817
Supplies	10,500	12,150	8,928	3,222
Property	500	1,850		1,850
Other	500	500	268	232
<b>Total Operating Expenses</b>	<u>17,500</u>	<u>26,500</u>	<u>14,379</u>	<u>12,121</u>
Operating income (loss)	-	(1,000)	16,448	17,448
<b>Nonoperating Revenues (Expenses)</b>				
Local sources				
Earnings on investments		1,000	1,346	346
Appropriated reserves	(35,697)	(43,371)		43,371
<b>Changes in Net Position Non GAAP Basis</b>	<u>(35,697)</u>	<u>(43,371)</u>	<u>17,794</u>	<u>61,165</u>
Less depreciation expense			(1,028)	(1,028)
<b>Net Position, Beginning</b>	35,697	43,371	69,909	26,538
<b>Net Position, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,675</u>	<u>\$ 86,675</u>



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0890 - Dolores County RE No.2  
 Fiscal Year 2022-23  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	3,930,296	4,463,571	4,268,726	4,125,140
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>3,930,296</b>	<b>4,463,571</b>	<b>4,268,726</b>	<b>4,125,140</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	31,279	161,852	163,503	29,628
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	185,372	294,244	307,052	172,565
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	67	864,952	182,474	682,544
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	12,408,703	1,183,869	11,224,834
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	290,219	492,093	103,866	678,445
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>4,437,233</b>	<b>18,685,415</b>	<b>6,209,490</b>	<b>16,913,157</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	69,909	32,174	15,408	86,675
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>69,909</b>	<b>32,174</b>	<b>15,408</b>	<b>86,675</b>
<b>Fiduciary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

## OTHER INFORMATION

Dolores County (Dove Creek) School District RE-2J

District's Required Annual Financial Disclosure Undertaking  
 In the Connection of the Issuance of it's  
 General Obligation Bonds, Series 2023  
For the Year Ending June 30, 2023

The following tables are required pursuant to the requirements of the District's continuing disclosure undertaking, dated as of January 24, 2023, which was executed by the District in connection with the issuance of its General Obligation Bonds, Series 2023.

**History of District's Mill Levy**

Levy/Collection Year	General Fund	Mill Levy Override	Bond Redemption Fund	Abatements	Total Mill Levy
2018/2019	15.559	3.000	0.000	0.017	18.576
2019/2020	15.559	3.000	0.000	0.000	18.559
2020/2021	15.559	3.000	0.000	0.080	18.639
2021/2022	16.574	3.000	0.000	0.015	19.589
2022/2023	17.559	3.000	8.731	0.003	29.293

One mill equals 1/10 of one cent. Mill levies certified in 2022 are for the collection of ad valorem property taxes in 2023. District voters approved property tax mill levy override increasing taxes in fiscal year 2016 by imposing an additional mill levy not to exceed 3 mills, which was to expire with the 2022 collection year. At an election held on November 2, 2021, the District voters approved a permanent extension of the 2015 mill levy override.

**History of District's Assessed Valuation**

Levy/Collection Year	Dolores County	San Miguel County	Total	Percentage Change
2018/2019	\$124,902,093	\$ 3,906,210	\$128,808,303	0.00%
2019/2020	\$121,465,928	\$ 3,955,200	\$125,421,128	-2.63%
2020/2021	\$114,008,222	\$ 3,557,950	\$117,566,172	-6.26%
2021/2022	\$113,594,096	\$ 4,366,538	\$117,960,634	0.34%
2022/2023	\$ 94,519,731	\$ 4,553,552	\$ 99,073,283	-16.01%

Assessed valuations may fluctuate from year to year based on a variety of factors, including, but not limited to; changes in the assessment rate for residential properties, changes in state assessed value, abatements, and/or changes in status.

Dolores County (Dove Creek) School District RE-2J

District's Required Annual Financial Disclosure Undertaking  
 In the Connection of the Issuance of it's  
 General Obligation Bonds, Series 2023  
For the Year Ending June 30, 2023

**Historical Property Tax Collections**

Levy/Collection Year	Dolores County	San Miguel County	Total Taxes Levied	Total Taxes Collected	Percent of Levy Collected
2018/2019	\$ 2,839,595	\$ 70,796	\$ 2,910,391	\$ 3,302,652	113.48%
2019/2020	\$ 2,320,181	\$ 72,562	\$ 2,392,743	\$ 2,391,333	99.94%
2020/2021	\$ 2,254,286	\$ 73,405	\$ 2,327,691	\$ 2,315,035	99.46%
2021/2022	\$ 2,124,999	\$ 66,317	\$ 2,191,316	\$ 2,173,485	99.19%
2022/2023	\$ 2,223,491	\$ 85,471	\$ 2,308,962	\$ 2,290,457	99.20%

Collection is on a calendar year basis. Tax Collected in 2017/2018 included a supplemental tax from the Dolores County Assessor.

**2022 Largest Taxpayers within the District**

Name	Assessed Valuation	Percent of Assessed Valuation
Air Products	\$ 23,746,546	23.97%
Kinder Morgan	22,969,015	23.18%
Shell Oil Company	2,606,535	2.63%
Dunton Hot Springs	2,071,830	2.09%
Paradox Midstream LLC	1,645,300	1.66%
Tri State Gen & Transm Assn	1,464,256	1.48%
Northwest Pipeline LLC	871,840	0.88%
Cortez Pipeline	803,316	0.81%
Four Corners Energy LLC	458,465	0.46%
Rocky Mountain Natural Gas LLC	325,104	0.33%
	<u>\$ 56,962,207</u>	<u>57.50%</u>
2022 District's assessed valuation	<u>\$ 99,073,283</u>	



Dolores County (Dove Creek) School District RE-2J

District's Required Annual Financial Disclosure Undertaking  
In the Connection of the Issuance of it's  
General Obligation Bonds, Series 2023  
For the Year Ending June 30, 2023

**District Enrollment**

<u>Levy/Collection Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>
2018/2019	237.4	
2019/2020	239.3	0.80%
2020/2021	228.0	-4.72%
2021/2022	244.5	7.24%
2022/2023	252.0	3.07%