

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

THE BOARD OF EDUCATION OF CUSTER COUNTY SCHOOL DISTRICT MET IN REGULAR SESSION IN THE CUSTER COUNTY LIBRARY.

The meeting was called to order by Joseph McCarthy, BOE President, 4:31 p.m. The Pledge of allegiance was recited. Roll call was taken, a Quorum established, and the following were present:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Jordan Benson
Director | <input checked="" type="checkbox"/> Jennifer Kriegh
Secretary/Treasurer | <input checked="" type="checkbox"/> Joe McCarthy
President |
| <input checked="" type="checkbox"/> Reggie Foster
Vice President | <input type="checkbox"/> Vacancy
Director | |

Agenda Approval

MOTION: Jennifer Kriegh moved to approve the agenda as modified.

Motion Passes unanimously.

Administration in Attendance

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Jackie Crabtree,
Superintendent | <input type="checkbox"/> Zachary Bissell, Assist
Principal/Athletic
Director | <input type="checkbox"/> Donna Newell, Assistant
to Administration |
| <input checked="" type="checkbox"/> Sydney Benesch,
Principal | | <input checked="" type="checkbox"/> Charlotte Lindaman,
K-12 Accounting; |

Guests in Attendance

Michelle Tillotson	Jake Shy	Lea Grundy
Mari Raley	Kit Shy	Shannon Palmer
Linda Brown	Kaleb Vandusen	Buck Wenzel
Peggi Collins	Brian Bills	

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Staff/Student Recognition

CCSD Wrestling Team thanked Jackie for all of the support. 2 Custer County Kids made it to state.

Public Comments

Lea Grundy requested information about where we go for policies as a parent. Had issues with conflicting policy that affected child eligibility. No policy in place for overnight - when met with Jackie and Zach said there was not one written. Third policy - CHASA policy for eligibility and our eligibility rules are unclear. Request we look into it. Joe McCarthy tasked Jackie and Sydney to work with her. Jordan and Jackie working on updating to the website.

Correspondence to the Board

None

Board Initiatives

Jennifer Kriegh - presented the Board Policy Overhaul Project

Motion: Jennifer Kriegh moved to approve the \$12,000 Budget Overhaul. NO Second - Motion Dies.

Discussion regarding the agenda stating “approval” to be able to consider a motion. Per Jordan Benson & Jackie Crabtree, without the word “approval” can not be considered. Jennifer Kriegh stated that Robert's Rules clarifies the difference between regular meeting agenda vs. special meeting rules.

Jordan presented NOTTAI - \$100 per year. The School will pay for it. Jennifer Kriegh will present having someone in the future to help with being the secretary.

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Jordan updated that BOARDDocs has some capability – work into website discussion

Reggie - KDBA - Not approved by the former board, but on the website it shows that it was approved. Reggie reviewed the rules. Received guidance from council - on agenda for March. Jordan Benson explained that the previous board did not support this policy because people are innocent until proven guilty.

Joe McCarthy - we have gone as far as we can with compliance review. Fence options extend from doing nothing to engaging a new contractor - Joe McCarthy requested recommendations - Reggie Foster suggested that the school purchase materials and Jake Shy will complete the work. Jake and Jackie will get together on Monday, Feb 26, 2024. Joe and Jackie to get together on Wed. 28th.

Consent Agenda

MOTION: Reggie Foster moved to approve the consent agenda as modified.

Second - Jordan Benson

Discussion: Wants to say thank you to Kathryn Potter. Kathryn Potter retiring.

Motion passed unanimously

Approval of Special Board Meeting Minutes: Jan 24, Feb. 7

Approval of Regular Board Meeting Minutes: Jan. 9th - as corrected

Acknowledgement of Snow Day December 14, 2023

Approval of MOU/Contract with Pueblo County Community College

Acceptance of resignation of Kathryn Potter

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Reports and Discussion

SAC/DAC Report - Joe McCarthy/Sydney - James Barr provided safety, UIP presented, MTS Presented.

BOCES Report – Jordan Benson - Meeting this Thursday

FFA - Reggie Foster - Update from Eddie Crispe - See attached.

Legislative Report - Jennifer Kriegh - None

CCKC Report - Jordan reported that they are restructuring how they have things set up.

Excellence in Education - Reggie reported the Renewing volunteer program. Hired new volunteer coordinator - new name Volunteer Ambassador

Triathlon update - Brian Bills proved information on the Triathlon bringing it back with Altitude fitness.

Middle School Service Project - presented by Troy Bomgardner - Hope project

Student Council - Jady Adamov & Kady Lafary - None

GT/IT Report - Ryan Donovan - Written Report

Assistant Principal/Athletic Director Report - Zachary Bissell - Written Report

Principal Report - Sydney Benesch - Attached

Superintendent Report - Jackie Crabtree - Prek enrollment starting soon, Toria (nurse) - getting cpr training, BOCES is participating in UCCS job fair and can participate. Transportation report - 2 potential applicants withdrew.

Items of Business

MOTION: Jordan Benson moved to approve the payment of BOCES Bill

Motion dies - No Second

MOTION: Reggie Moved moved to approve for hire

Elizabeth Lewsander - MS Girls Basketball Assistant Coach

Zachary Bissell - HS Baseball Head Coach

Mark Grundy - HS Volunteer Baseball Assistant Coach

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Jordan Benson Second

Discussion - Is there a conflict of interest of Zachary Bissell - Jackie says that they have created a work around with the reporting of Zack being AD and boss of

Motion carried unanimously

MOTION: Joe Mccarthy moved to approve Shana Fore as SAC/DAC Committee

Member Seconded by Jordan Benson

Motion carried unanimously

Discussion regarding GBI policy 2nd read - since first read was not done per policy last night, then we should revisit it in March.

MOTION: Jordan Benson moved to table second reading of policy GBI to March Meeting.

Reggie Foster Seconded

Motion carried unanimously

Hoelting & Co. Final Audit presented to the board.

MOTION: Reggie Foster moved to accept the financial report as presented.

Jordan Benson Seconded. Motion carried unanimously

Appointment of Board of Education Vacancy

Discussion regarding if there is a tie for the appointment of school board members. Joe provided an option if there is a tie, which can be handled by motions. Jordan suggested that we vote by secret ballot and in the event of a tie, then we revote. Additional discussion regarding an employee of the school being a board member.

**PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1**

**Special School Board Meeting:
CCSD Library – Feb. 20, 2024**

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Each of the Board members presented their viewpoints on each of the candidates. Votes handled by secret ballot.

Vote Tally- 1st - 2 votes - Dr. Linda Brown, 2 votes Trent Stafford

2nd - 1 Vote - Dr. Linda Brown, 3 Votes Trent Stafford

Public Comments

Booster Club - Timeline on sports budget - March/April - Discussion – May first meeting of budget. Then it has to be 30 days following before it can be approved.

Jake Shy stated the school will be losing a family in the school due to the current direction of the school.

Kit Shy commented - did not agree with the voting process. What process does BOE have in place regarding the sunshine laws?

Discussion

Jordan Benson requested Charlotte have a nameplate.

Jennifer Kriegh requested any other ideas and/or suggestions on other ways to handle the policy issues.

Reggie Foster - Trent Stafford has not been paid in the past 3 years. Jackie reported that Trent Stafford will be paid for this year and any back pay.

No meeting tomorrow. Do not believe we need to continue with weekly meetings.

PROCEEDINGS OF THE BOARD OF EDUCATION
CUSTER COUNTY SCHOOL DISTRICT C-1

Special School Board Meeting:
CCSD Library – Feb. 20, 2024

“For the good of the students of Custer County Schools”

Link for audio attendance is located on the district calendar on the district website

Adjournment: Reggie Foster moved to adjourn the meeting.

Jennifer Kriegh seconded Motion carried unanimously

Meeting adjourned at 6:57pm.

Joseph M. McCarthy

Joe McCarthy, BOE President

Jennifer R. Kriegh

Jennifer Kriegh, BOE Secretary

POLICY MANUAL PURCHASE AND OVERVIEW EDITS PROJECT Services Agreement

This agreement is made and entered into on **February 20, 2024** by and between the Colorado Association of School Boards (hereinafter referred to as the "Association") and **Custer County C-1** (hereinafter referred to as the "District").

1. **Project description.** The Policy Services Department of the Association will work cooperatively with the District in a project to be known as the Policy Manual Purchase and Overview Edits Project.
 - 1.1. The District will assign a Liaison to communicate with the Association during the course of the project.
 - 1.2. The Association will provide a copy of its CASB District Policy Manual, ("CASB Policy Manual") to the District, which will serve as a starting point for the District's own Policy Manual.
2. **Policy project process.** The parties agree to implement the following process:
 - 2.1. **Policy review and revision.** The Association will provide an electronic version of the CASB Core Policy Manual and work with the District to review current District policies and identify areas where policy needs updating. The Association will then create the District's own policy manual using the CASB Core Policy Manual as a starting point, and incorporating District-specific philosophy, goals, objectives, policies, and practices as appropriate. The Association will provide such technical editing as may be necessary.
 - 2.1.1. The District will be responsible for providing the Association with current District policies in Microsoft Word format or an alternate electronic format that is exported into Microsoft Word format. As provided in paragraph 5.2 herein, the Association reserves the right to charge a conversion fee for any current District policies not provided to the Association in Microsoft Word.
 - 2.2. **Preparation and presentation of draft manual.** The Association will prepare one draft manual of all policy/regulation statements identified as appropriate for inclusion in the policy manual and forward one electronic copy of the draft manual to the Liaison for review by the District's Board of Education.
 - 2.3. **Policy review by the Board.** The Board of Education and Liaison will review the draft manual and submit to the Association one electronic copy of the draft manual and any comments on the response sheet regarding suggested edits.
 - 2.4. **Revisions.** After review by the Board of Education, the Association will revise policies contained in the draft manual as a result of the review process between the Association and the Board of Education and Liaison.
 - 2.5. **Production of final manual.** The Association will provide one electronic copy of the final policy manual to the Board of Education. The Association will then meet with the Board of Education to review the final manual, if requested by the Board of Education.

- 2.6. The District will be responsible for any revisions made to the policy manual subsequent to delivery of the final manual, including all language updates and insertion of adoption dates.
3. **Timeline and project completion.** The final manual will be provided to the District by **February 20, 2026**. The District will send the materials outlined in 2.1.1. by **May 20, 2024**.
- 3.1. The Parties may mutually agree to modify the timeline described in Section 3 above. A modification to any of the project completion dates will not be valid unless made in writing and signed by both parties. No oral understanding or agreement not incorporated in a valid agreement is binding on either of the parties. The parties understand that there may be delays in the revision and review process due to various factors associated with either the District or the Association. As such, reasonable delays (up to six months) caused by either party will not constitute a breach of this Agreement. If either party anticipates a delay in the revision and review process of longer than six months, the parties will modify the completion date by adding a signed amendment to this Agreement.
4. **Association membership.** It is agreed that the Board of Education will be a member in good standing of the Colorado Association of School Boards for the duration of the project. The Association will have the right to terminate this Agreement if the Board of Education ceases to be a member in good standing.
5. **Fees and expenses.**
- 5.1. **Fees.** The District agrees to pay the Association the sum of **\$7,000** for the professional services rendered pursuant to this Agreement, plus reasonable expenses as provided in paragraph 5.2 herein. The Association will invoice the District upon the signing of this Agreement for forty percent (40%) of the total fee and expenses incurred to date, upon delivery of the draft manual for forty percent (40%) of the total fee and expenses incurred to date and the final twenty percent (20%) of the fee plus any additional expenses upon delivery of the final manual. In the event the District fails to provide the necessary assistance, documents or revisions to enable the Association to prepare the final manual within six months of delivery of the draft manual the final twenty percent (20%) payment will become immediately due. The District agrees to make payment for billed services and expenses within 30 days of billing.
- 5.2. **Additional Expenses.** In addition to the fees payable under the terms of the preceding paragraph, the District will reimburse the Association for additional expenses incurred in connection with the performance of the Agreement. The Association will determine the amount of such expenses in its sole discretion and will provide a list and description of expenses to the District. Such expenses may include, but are not limited to, the following, if applicable: transportation; long-distance telephone; printing costs; postage; meals; lodging; supplies; copying costs; administrative costs to convert current District policies into Microsoft Word format; and all other incidental expenses related to performance of duties outlined in this Agreement.
6. **CASB's Policy Support Services.** Unless the Association otherwise provides the District with complimentary access to CASB's Policy Support Services, the

Association will provide the District with complimentary access to CASB's Policy Support Services during the initial year of this Agreement.

7. **Legal compliance.** The Association makes reasonable efforts to ensure all sample policies provided under this Agreement reflect current law and established practice. The policies and related information provided under this Agreement will be prepared by experienced policy experts, but may not have been reviewed in detail by legal counsel and do not constitute legal advice.
8. **Employment.** The relationship of the parties is that of independent contractors. The parties hereto are not deemed to be employees, employers, agents, partners, or joint venturers of the other for any purpose as a result of this Agreement or the work completed pursuant to this Agreement.
9. **Ownership.** Except for rights expressly granted under this agreement, the Association shall retain all rights, title, and ownership of the "CASB Core Policy Manual." The District shall have a limited license to use and access the CASB Core Policy Manual. The District shall not copy the CASB Core Policy Manual. The District shall not share, distribute, or otherwise make the CASB Core Policy Manual available to any person or organization without express written permission of the Association.
 - 9.1. This provision does not prohibit the District from sharing its own policy manual, once reviewed and edited in accordance with this Agreement, with its students and community.
10. **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder will be assigned by either of the parties hereto without the prior written consent of both parties.
11. **Service not exclusive.** The District understands and agrees that the Association may enter into agreements with other educational organizations located in the State of Colorado to provide professional services related to policy projects.
12. **Notices.** All notices required or permitted to be given under this Agreement will be in writing and will be submitted via email or mail. Notices are deemed to have been given and received: (a) on the third business day after mailing by registered or certified mail, postage prepaid, return receipt requested; (b) when sent by email or facsimile, upon the date the sending party receives written confirmation by the receiving party that it was received.
13. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
14. **Severability.** If the application of any provision or provisions of this Agreement to any particular facts or circumstances is held to be illegal, invalid, or unenforceable by a court, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.
15. **Total agreement.** This Agreement constitutes the total agreement between the Association and the District. No modification of the Agreement will be effective unless reduced to writing and approved by both parties.

BY:

Colorado Association of School Boards

Executive Director

Board President

Date

Date

POLICY MANUAL OVERHAUL PROJECT

Services Agreement

This agreement made and entered into **February 20, 2024** by and between the Colorado Association of School Boards (hereinafter referred to as the "Association") and **Custer County C-1** (hereinafter referred to as the "District").

1. **Project description.** The Policy Services Department of the Association will work cooperatively with the District in a project to be known as the Policy Manual Overhaul Project.
 - 1.1. The District will assign a Liaison (hereinafter referred to as the "Liaison") to communicate with the Association during the course of the project.

2. **Policy services.** The Association will provide the following services to the District:
 - 2.1. **Policy review and revision.** With the assistance of the Liaison, the Association will review current District policies and identify areas where policy needs updating. The Association will then create a new policy manual using the CASB Core Policy Manual as a starting point, incorporating district-specific philosophy, goals, objectives, policies and practices as appropriate. The Association will provide such technical editing as may be necessary.
 - 2.2. **Preparation and presentation of draft manual.** The Association will prepare one draft manual of all policy/regulation statements identified as appropriate for inclusion in the policy manual and forward one electronic copy of the draft manual to the District liaison for review by the Board of Education of the District.
 - 2.3. **Policy review by the Board of Education.** The Board of Education and District liaison will review the draft manual and submit to the Association one electronic copy of the draft manual and any comments on the response sheet regarding suggested edits.
 - 2.4. **Revisions.** After review by the Board of Education, the Association will revise policies contained in the draft manual as a result of the review process between the Association and the Board of Education and the District liaison.
 - 2.5. **Production of final manual.** The Association will provide one electronic copy of the final policy manual to the District. The Association will then meet with the Board of Education to review the final manual, at the District's request.

3. **District responsibilities.** The District will be responsible for the following:
 - 3.1. The District will assign a Liaison to communicate with the Association during the course of the project, as described in Provision 1.1.
 - 3.2. The District will comply with reasonable requests from the Association in order for the Association to fulfill its responsibilities under this Agreement.

- 3.3. At the commencement of the project, the District will be responsible for providing the Association with current District policies in Microsoft Word format or an alternate electronic format that is readily exportable into Microsoft Word format. As provided in paragraph 6.2 herein, the Association reserves the right to charge a conversion fee for any current District policies not provided to the Association in the format required by this Agreement.
- 3.4. The District will be responsible for providing all pertinent district documents to be used during the policy review process by the Board of Education, unless agreed otherwise by the Association and the District.
- 3.5. The District will be responsible for any revisions made to the policy manual subsequent to delivery of the final manual, including all language updates and insertion of adoption dates.
4. **Timeline and project completion.** The services will be carried out by **February 20, 2026**, unless a different date is mutually agreed to by the Association and the District. The District will send the materials outlined in 3.3 by **May 20, 2024**.
 - 4.1. The Parties may mutually agree to modify the timeline described in Section 4 above. A modification to any of the project completion dates will not be valid unless made in writing and signed by both parties. No oral understanding or agreement not incorporated in a valid agreement is binding on either of the parties. The parties understand that there may be delays in the revision and review process due to various internal factors associated with either the District or the Association. As such, neither party will hold the other party liable for reasonable delays. If either party anticipates a delay in the revision and review process of longer than six months, the parties will modify the completion date by adding a signed amendment to this Agreement.
5. **Association membership.** It is agreed that the District's Board of Education shall be a member in good standing of the Colorado Association of School Boards for the duration of the project.
6. **Fees and expenses.**
 - 6.1. **Fees.** The District agrees to pay the Association the sum of **\$12,000** for the professional services rendered pursuant to this Agreement, plus reasonable expenses as provided in paragraph 6.2 herein. The Association will invoice the District upon the signing of this Agreement for forty percent (40%) of the total fee and expenses incurred to date, upon delivery of the draft manual for forty percent (40%) of the total fee and expenses incurred to date and the final twenty percent (20%) of the fee plus remaining expenses upon delivery of the final manual. In the event the District fails to provide the necessary assistance, documents or revisions to enable the Association to prepare the final manual within six months of delivery of the draft manual the final twenty percent (20%) payment will become immediately due. The District agrees to make payment for billed services and expenses within 30 days of billing.

- 6.2. **Expenses.** In addition to the fees payable under the terms of the preceding paragraph, the District shall reimburse the Association for expenses incurred in connection with the performance of the Agreement. Such expenses shall include the following, if applicable: transportation; long-distance telephone; printing costs; postage; meals; lodging; supplies; copying costs; administrative costs to convert current District policies into Microsoft Word format; and all other incidental expenses related to performance of duties outlined in this Agreement.
7. **CASB's Policy Support Services.** Unless the Association otherwise provides the District with complimentary access to CASB's Policy Support Services, the Association will provide the District with complimentary access to CASB's Policy Support Services during the initial year of this Agreement.
8. **Legal compliance.** The Association makes reasonable efforts to ensure all sample policies provided under this Agreement reflect current law and established practice. The policies and related information provided under this Agreement will be prepared by experienced policy experts, but may not have been reviewed in detail by legal counsel and do not constitute legal advice.
9. **Employment.** The relationship of the parties is that of independent contractors. The parties hereto are not deemed to be employees, employers, agents, partners, or joint venturers of the other for any purpose as a result of this Agreement or the work completed pursuant to this Agreement.
10. **Ownership.** Except for rights expressly granted under this agreement, the Association shall retain all rights, title, and ownership of the "CASB Core Policy Manual." The District shall have a limited license to use and access the CASB Core Policy Manual. The District shall not copy the CASB Core Policy Manual. The District shall not share, distribute, or otherwise make the CASB Core Policy Manual available to any person or organization without express written permission of the Association.
- 10.1 This provision does not prohibit the District from sharing its own policy manual, once reviewed and edited in accordance with this Agreement, with its students and community.
11. **Assignment.** Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of both parties.
12. **Service not exclusive.** The District understands and agrees that the Association may enter into agreements with other educational organizations located in the State of Colorado to provide professional services related to policy projects.
13. **Total agreement.** This Agreement constitutes the total agreement between the Association and the District. No modification of the Agreement shall be effective unless reduced to writing and approved by both parties.

BY:

Colorado Association of School Boards

District

Executive Director

District Board President

Date

Date



Overview

This form is required pursuant to Section 22-11-206(4), C.R.S. The school district must submit an assurance form certifying the school district's substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors the district's compliance by reviewing the district's finance data pipeline submission, audited financial statements, financial transparency website, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

Additional Information for charter school authorizers

The assurances provided with this form are also applicable to all charter schools unless a separate CHARTER FORM AFA2023 is executed by or on behalf of a charter school and provided to CDE. The submission of a CHARTER FORM AFA2023 by an authorizer communicates that the authorizer does not provide the assurances for that charter school within the authorizer's FORM AFA2023. If applicable, CHARTER FORM AFA2023(s) should be submitted with an authorizer's FORM AFA2023.

Completion and submission

1. Open header and select entity from the drop down.
2. Select the appropriate response for each assurance. Note: select "N/A" when item is not applicable.
3. Complete an Attachment A for each "No" response.
4. Scan to PDF the completed and signed FORM AFA2023 with, if applicable, an Attachment A for each "No" response.
5. Submit with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. Audited financial statements for year ended June 30, 2023 (including audit reports for charter schools, if applicable)
 - b. Grant Revenue Reconciliation Report from data pipeline with responses for all differences in column 9
 - c. Finance December Error Detail Report - Rollup from data pipeline with confirmation or responses for all warning edits

PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2022. Note: the appropriation resolution may by reference incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2022-23 itemizes expenditures by fund.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes
44-4	Uniform budget summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2022-23 includes a uniform budget summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2022-23 was submitted to the board by May 31, 2022.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2022-23 was adopted by the board by June 30, 2022.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2023, were made through adoption of a supplemental budget by the board.	N/A
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	Yes
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. Note: Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(III), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	N/A
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes
45-5	Bond redemption fund	22-45-103(1)(b)	A third party custodian was designated to administer the bond redemption fund.	Yes

PART 3 - Assurance required pursuant to Section 22-11-206(4)(b), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
30-5-1	Itemized accounting to charter schools	22-30-5-112(2)(a-4)	An itemized accounting of all costs charged to charter schools was provided to those schools by September 30, 2023.	N/A

PART 4 - Assurance required pursuant to Section 22-54-106(2.1)(d) (II), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
54-1	Property Tax Credit, if applicable	22-54-106(2.1)(d) (II)	The district levied a greater number of Total Program mills than levied in the prior property tax year, due to the reduction of temporary tax credits.	Yes

PART 5 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Harris School Solutions - Aptafund

Company/vendor contact: Name: Email:





PART 5 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 through 3 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

Christy B. Johnson

(printed name)

Charlotte Lindeman

Date: 2/13/2024

Superintendent/Executive Director (signature)

Jackie Cabree

(printed name)

Jackie Cabree

Date: 2/13/24

I certify that the board reviewed the assurances and approved the related responses.

President of the Board (signature)

(printed name)

Date: _____





Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Re: Fencing Compliance Inquiry

Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net>

Mon, Feb 5, 2024 at 8:08 PM

To: Joseph McCarthy <joseph.mccarthy@ccbobcats.net>
Cc: Jordan Benson <bensonproductionsltd@gmail.com>, Jennifer Kriegh <jennifer.kriegh@ccbobcats.net>, Reggie Foster <reggie.foster@ccbobcats.net>

Joseph,

I'm still working on your fencing inquiry. I'll get that to you when I can.

Also, did you reach out to Jake to move forward with the fencing project, or did you want me to do that? I know I wasn't supposed to move forward until after last Wednesday but I haven't heard from you.

Please let me know so he can get the materials ordered and project finished as soon as possible. I'd like this to be done before licensing comes out again.

Jackie

Sent from my iPhone

On Jan 29, 2024, at 8:03 AM, Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net> wrote:

Thank you, Joseph. I did receive the letter.
Kind Regards,

Jackie Crabtree



Custer County School District C-1

Post Office Box 730, Westcliffe, Colorado 81252

Jackie Crabtree – Superintendent

Sydney Benesch – Principal Zach Bissell - Assistant Principal/Athletic Director

Main Office: 719-783-2291 / Office Fax: 719-783-4944

Administration: 719-783-2357 / Admin

Vision: To Provide a Quality Education in a Safe Environment Mission: To Prepare Students for Life Beyond Graduation

January 29, 2024

Dear Ms. Crabtree,

As you know, one of the responsibilities of the Custer County School Board is financial stewardship of state and taxpayer funds. On or around May 31, 2023, Carolina Henderson, the Pre-school and Childcare Center Director, wrote a memo to the Custer County School Board requesting “approval for for [sic] a bid to build the two playground fences and the dropoff [sic] Childcare areas.” The urgency of Ms. Henderson’s request was apparent. She stated, among other things,

- “This expense will be covered with the workforce grant received from the Colorado Department of Early Childhood. These projects need to be completed by June 30, 2023 or we loose [sic] the funding.”
- “...I am recommending the bid by DLC Services.”
- “This is a very time sensitive situation.”
- “... waiting for this to be addressed in the June board meeting, puts our ability to complete the project and have it funded by the grant in jeopardy.”

There is a paucity of information regarding this project. The work was awarded to Mr. Shy even though his bid did not comply with the school district document entitled, CUSTER COUNTY SCHOOLS NOTICE OF FENCE CONSTRUCTION PROJECT AND INVITATION TO BID. The notice indicated, “The school will only consider bids with detailed materials to be used, deadline of job completion and clear estimated price.”

Mr. Shy was issued a check for \$27,950 on or around June 19, 2023. The amount of the check was equal to the bid in his email to Ms. Henderson on May 24, 2023 at 4:43 PM. It is the Board’s understanding that a contract was not executed between the school district and Mr. Shy.

Mr. Shy called the president of the Board regarding the unfinished fence work twice prior to the January 9, 2024 Board Meeting. Mr. Shy expressed frustration concerning his ability to get Ms. Henderson to commit to the dimensions of the fence around the playground area. He stated the size of the job was significantly larger than had been projected. Consequently, the supplies purchased were not adequate for the expanded parameters necessary to comply with the state requirements.

Mr. Shy indicated he has some of, but not all, the necessary supplies to finish the job. Additionally, he stated he has not been able to account for all the unused fencing material. Who gave Mr. Shy permission to store the supplies on school grounds? What safeguards were taken to protect the supplies? Has a determination been made whether any of the supplies are missing?

Mr. Shy sent an email to you and the Board on January 22, 2024 at 1:08 PM regarding completing the fencing project. As was the case with his original bid, the latest submission does not comply with the district's original invitation for bids. Considering the foregoing, you were instructed not to take any action regarding the completion of this project until this matter can be discussed at the January 31, 2024 Special Board Meeting.

The Board is requesting you prepare a detailed written report addressing how the \$27,950 grant money paid to Mr. Shy was spent on this project. At a minimum, your report should address and include the following:

1. A copy of the district's policies and procedures governing employing contractors to perform work for the school, including the district's risk management and required insurance procedures for hiring outside vendors and contractors.
2. Why the district did not prepare a formal contract describing the work to be performed, and addressing, among other things, Mr. Shy's responsibilities, schedule, compensation, and the method for resolving disputes.
3. An explanation of how Mr. Shy's labor costs would be calculated. Specifically, it appears the initial project cost of \$27,950 covered the cost of supplies and labor. However, Mr. Shy is now offering to complete the remainder of the unfinished work at cost, without any compensation for labor.
4. Copies of Mr. Shy's proof of general liability insurance, workman's compensation, surety bond, etc. and a statement indicating who obtained these documents and when they were obtained.
5. Who on staff authorized the issuance of the \$27,950 check to Mr. Shy, including any written instructions and supporting documentation that may have accompanied the request.
6. An itemized list of all the supplies purchased for the project, a cost breakdown for those supplies, and the corresponding receipts supporting the purchase(s).
7. The dimensions of the fence installed for the pre-school / daycare facility.
8. An itemized list of the supplies used to install the pre-school / daycare facility fence. Provide the total cost for this facet of the project, how the cost is broken down between materials and labor, and the method used to calculate the associated labor costs.
9. An itemized inventory of the remaining supplies after the completion of the pre-school / daycare facility fence. Indicate the value of those supplies based on the purchase price.

10. Describe your supervisory oversight of this project during and following Ms. Henderson's employment with the school district.

Please send your report to the entire Board by Monday, February 5, 2024. Thank you.

Sincerely,

Joseph M. McCarthy

Joseph M. McCarthy
President
Custer County School Board

cc: Stacy Terrill
Laurie Yarger

Delivered via Email



Custer County School District C-1

Post Office Box 730, Westcliffe, Colorado 81252

Jackie Crabtree – Superintendent

Sydney Benesch – Principal Zach Bissell - Assistant Principal/Athletic Director

Main Office: 719-783-2291 / Office Fax: 719-783-4944

Administration: 719-783-2357 / Admin

*Vision: To Provide a Quality Education in a Safe Environment Mission: To Prepare Students
for Life Beyond Graduation*

February 8, 2024

Dear Ms. Crabtree,

Thank you for your February 7, 2024 response to the board's inquiry dated January 29, 2024. There is a need to clear up a fundamental misunderstanding evidenced by your statement, "Once I am allowed to fulfill my contractual responsibilities and work on this project, I will reach out to Mr. Shy, gather the information that you requested, and provide the rest of your response and documents."

You conflated two issues when stating the reason "I am not able to move forward and obtain assistance is because you have asked that I "Please put this on the agenda for the January 31st meeting. Do not take any action until then."" You referenced the foregoing quote out of context. Kindly review the January 22 and 23, 2024 email chain where this statement appeared. The "this" refers to Mr. Shy's sketch attached to the email. The subject of the email was completing the remainder of the fencing project.

There is not, nor has there been, anything precluding you from contacting Mr. Shy about what transpired in 2023, which is the focus of the compliance review. The board looks forward to you providing the remainder of the requested information and documentation.

We would appreciate having a complete response by the close of business, Friday, February 16, 2024. This will allow the board adequate time to review the information and include this matter on the agenda for discussion at the February 20, 2024 board meeting.

Sincerely,

Joseph M. McCarthy

Joseph M. McCarthy
President
Custer County School Board

cc: Custer County School Board

Delivered via Email



Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Re: Fencing Compliance Inquiry

Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Tue, Feb 6, 2024 at 7:48 AM

To: Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net>

Cc: Jordan Benson <bensonproductionsltd@gmail.com>, Jennifer Kriegh <jennifer.kriegh@ccbobcats.net>, Reggie Foster <reggie.foster@ccbobcats.net>

We need to review your response to the inquiry before we can move forward on the project. When can we expect your reply?

[Quoted text hidden]

Response to the Fencing Inquiry

Provided by Jackie Crabtree on January 7, 2024

(The bullets below provide the answers to your questions in the following letter.)

Dear Ms. Crabtree,

As you know, one of the responsibilities of the Custer County School Board is financial stewardship of state and taxpayer funds. On or around May 31, 2023, Carolina Henderson, the Pre-school and Childcare Center Director, wrote a memo to the Custer County School Board requesting "approval for for [sic] a bid to build the two playground fences and the dropoff [sic] Childcare areas." The urgency of Ms. Henderson's request was apparent. She stated, among other things,

"This expense will be covered with the workforce grant received from the Colorado Department of Early Childhood. These projects need to be completed by June 30, 2023 or we loose [sic] the funding."

"...I am recommending the bid by DLC Services."

"This is a very time sensitive situation."

"... waiting for this to be addressed in the June board meeting, puts our ability to complete the project and have it funded by the grant in jeopardy."

There is a paucity of information regarding this project. The work was awarded to Mr. Shy even though his bid did not comply with the school district document entitled, CUSTER COUNTY SCHOOLS NOTICE OF FENCE CONSTRUCTION PROJECT AND INVITATION TO BID. The notice indicated, "The school will only consider bids with detailed materials to be used, deadline of job completion and clear estimated price."

- This was the decision of the school board.

Mr. Shy was issued a check for \$27,950 on or around June 19, 2023. The amount of the check was equal to the bid in his email to Ms. Henderson on May 24, 2023 at 4:43 PM. It is the Board's understanding that a contract was not executed between the school district and Mr. Shy.

- Mr. Shy did not present a contract to the board. The board did approve his bid without the contract at the June 13 board meeting.

Mr. Shy called the president of the Board regarding the unfinished fence work twice prior to the January 9, 2024 Board Meeting. Mr. Shy expressed frustration concerning his ability to get Ms. Henderson to commit to the dimensions of the fence around the playground area. He stated the size of the job was significantly larger than had been projected. Consequently, the supplies purchased were not adequate for the expanded parameters necessary to comply with the state requirements.

Mr. Shy indicated he has some of, but not all, the necessary supplies to finish the job. Additionally, he stated he has not been able to account for all the unused fencing material. Who gave Mr. Shy permission to store the supplies on school grounds?

- I spoke with Eugene, and he said that Jake Shy left the fencing material here. Other vendors have left their supplies here in the past so this is not unusual.
- What safeguards were taken to protect the supplies? Eugene moved them near the propane tank where there is a camera.
- Has a determination been made whether any of the supplies are missing? Eugene said all the supplies are there.

Mr. Shy sent an email to you and the Board on January 22, 2024 at 1:08 PM regarding completing the fencing project. As was the case with his original bid, the latest submission does not comply with the district's original invitation for bids. Considering the foregoing, you were instructed not to take any action regarding the completion of this project until this matter can be discussed at the January 31, 2024 Special Board Meeting.

- No action regarding the completion of this project occurred. Jake did send the requested contract that I had asked for after the January board meeting. As stated in a previous email, after he sent the sketch to you (which you had told him was fine in a previous conversation mentioned above) I needed to chat with him about the sketch. You have my previous email explaining this.

The Board is requesting you prepare a detailed written report addressing how the \$27,950 grant money paid to Mr. Shy was spent on this project. At a minimum, your report should address and include the following:

1. A copy of the district's policies and procedures governing employing contractors to perform work for the school, including the district's risk management and required insurance procedures for hiring outside vendors and contractors.

- The bidding policy is DJE.

2. Why the district did not prepare a formal contract describing the work to be performed, and addressing, among other things, Mr. Shy's responsibilities, schedule, compensation, and the method for resolving disputes.

- The contracts are not prepared by the district but by the vendors. The previous board received the information and made their decision with the documents provided. This has been the practice of this school district according to Eugene who has been here 16 years.

3. An explanation of how Mr. Shy's labor costs would be calculated. Specifically, it appears the initial project cost of \$27,950 covered the cost of supplies and labor. However, Mr. Shy is now offering to complete the remainder of the unfinished work at cost, without any compensation for labor.

- The calculation of a vendor would be different from vendor to vendor. That would be based on materials, time and effort, insurance expenses, and profit. Since I am not able to check with Jake Shy on this, you may want to reach out to him for his information. I am including the original emailed bid from Jake Shy that the board approved.
- If there is a concern about future work, here is one solution. Eugene and I could order the additional material and have the school pay for those while using Mr. Shy's donated work and time.

4. Copies of Mr. Shy's proof of general liability insurance, workman's compensation, surety bond, etc. and a statement indicating who obtained these documents and when they were obtained.

- I have reached out to Carolina Henderson to speak with her, but she has not responded to my text messages. The information is not in her email. I also checked with Stacy Terrill, and she does not have it. We can request a copy from Mr. Shy.

5. Who on staff authorized the issuance of the \$27,950 check to Mr. Shy, including any written instructions and supporting documentation that may have accompanied the request.

- The check was submitted to Mr. Shy on or around June 19, 2023. That was authorized by the board's decision to go with his bid.

6. An itemized list of all the supplies purchased for the project, a cost breakdown for those supplies, and the corresponding receipts supporting the purchase(s).

- As I stated, I reached out to Carolina Henderson to get the information for the project. She has not responded back to me.

7. The dimensions of the fence installed for the pre-school / daycare facility.

- Eugene found that the childcare dimensions were approximately 40' x 80' with an extension of about 5' x 6'. There was also a middle partition fence between the areas of 40'.
- Eugene found that the preschool dimensions were originally about 35' x 82'. Jake's sketch said it was 40' x 80' which is close. Plus, he was removing the highway fencing and replacing it with the 6' high chain-link fencing. His "Proposal for Fencing Project" contract outlines this as well.
- Eugene said this was a heavier fence. Mr. Shy had said that he wanted it to be strong enough to stop a car since the playground is located near a road.

8. An itemized list of the supplies used to install the pre-school / daycare facility fence. Provide the total cost for this facet of the project, how the cost is broken down between materials and labor, and the method used to calculate the associated labor costs.

- That is the information we were requesting from Ms. Henderson above. I did check with Stacy Terrill to see if she had that but she said she did not. As stated previously, since I cannot get the information from Ms. Henderson, it would be pertinent to gather the information from Mr. Shy. Once you allow me to move forward with this, I will reach out to him.

9. An itemized inventory of the remaining supplies after the completion of the pre-school / daycare facility fence. Indicate the value of those supplies based on the purchase price.

- You would state, “The board understands you have been unsuccessful in obtaining assistance with answering the questions in the inquiry.” I am unable to obtain assistance with answering the questions because the person in charge of the project is no longer employed at CCSD. The other reason I am not able to move forward and obtain assistance is because you have asked that I “Please put this on the agenda for the January 31st meeting. Do not take any action until then.” The January 31 meeting was canceled, and the project was not added to the agenda for the next special board meeting on February 7, 2024. And as I stated in a previous email, you are impeding me from moving forward with the project and gathering the requested information.

Your demands of me are unreasonable. I am the superintendent and am doing my job. If you feel I need to improve on something, it is the board’s responsibility to work on that with me. It is not for the board for the board to attack me (which happened at CASB and in emails). I was sick two days last week and we had a snow day this week. I was being open and transparent when I let you know that I was not able to finish the project on Monday. Also, I want it to be clear that the reason the work is not being done is because you are not allowing me to do so.

You have chosen to focus on a project and work that the previous board approved. The project at hand should be finishing the fencing so we can be in compliance, but you seem to be doing everything in your power to keep me from moving forward with the project you assigned me.

I would be remiss if I did not highlight the current unreasonable expectations, lack of professionalism, and communication with the board is becoming untenable given that I’ve resigned effective June 30. I had hoped that we could transition leadership in an amicable way, but the current tone and tenor of the board leadership is unacceptable, sexist, and demeaning.

Jackie Crabtree

Bidding Procedures

All contractual services and purchases of supplies, materials, and equipment in the amount of \$10,000 or more will be put to bid. This does not apply, however, to professional services or instructional services or materials. Other purchases may be made in the open market but will, when possible, be based on competitive quotations or prices.

Competitive selection

All contracts and all open market orders will be awarded to the lowest responsible qualified supplier, taking into consideration the quality of materials (services) desired and their contribution to program goals.

The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the district.

Pre-qualification

With regard to materials or services for which bids are required, the superintendent or designee will develop a procedure to pre-qualify bidders. Suppliers will be invited to have their names placed on mailing lists to receive information about pre-qualifying. When specifications are prepared, they will be mailed to all merchants and firms who have pre-qualified. Only pre-qualified bidders may submit bids.

Response receipt and opening

All bids must be submitted in sealed envelopes, addressed to the Board, and plainly marked with the bid number and the time of the bid opening. Bids will be opened in public by appropriate district officials or employees at the time specified, and all bidders will be invited to be present.

Awarding a bid

The bidder to whom an award is made will be required to submit to the district proof of liability insurance and when appropriate, proof of workers' compensation insurance, and may be required to enter into a written contract with the district. Any written contract must include a provision requiring a criminal background check for any person providing direct services to students under the contract, including but not limited to transportation, instruction, or food services as required by law. The contracting entity is responsible for any costs associated with the background check.

Requirements for Written Contract

Any contract must include a provision that states that any of the district's obligations for the construction and design of public works projects that are payable after the current fiscal year are contingent on money to pay the obligations being

appropriated, budgeted, and otherwise made available to the district subject to the requirements of C.R.S. 24-91-103 6.

Any written contract shall not include any of the below conditions or terms. If any of the below conditions are included in a written contract, that condition or term is considered null and void.

- Any requirement that the district hold harmless another person or entity;
- Any requirement that the district or contracting entity participate in binding arbitration or other extra-judicial process for dispute resolution;
- Any requirement that the district agree to limit liability of another person or entity for bodily injury, death, or property damage;
- Any waiver, alteration, or limitation of the application of the "Student Data Transparency and Security Act" or the "Colorado Privacy Act";
- Any conflict with Colorado law or associated rules under state statute

Adoption date: September 10, 2013

Revised: January 16, 2018

Revised: February 13, 2018

Revised: January 17, 2023

LEGAL REFS.: C.R.S. 22-1-135 (terms and conditions in public school contracts definitions)

C.R.S. 22-32-109 (1)(b) (board required to adopt bidding procedures)

C.R.S. 22-32-109.7 (board duties regarding the employment of personnel)

C.R.S. 22-32-122 (4) (background check provision required in service contracts)

C.R.S. 24-18-201 (public official's interest in contract)

CROSS REFS.: BCB, School Board Member Conflict of Interest

DJB*, Federal Procurement



Carolina Henderson <carolina.henderson@ccbobcats.net>

Fence quote

1 message

Jake Shy <ajbarcattlecompany@yahoo.com>
To: Carolina.henderson@ccbobcats.net

Wed, May 24, 2023 at 4:43 PM

Custer County Schools

Here is my quote for fencing the 2 playgrounds

The total for all materials and labor is 27,950.00

This is for 6 foot tall commercial grade chain link fencing around both play grounds It includes all gates fencing and installation.

If there are any questions at all please feel free to contact me

Jake Shy
719-429-0846

Sent from my iPhone

CUSTER COUNTY CONSOLIDATED
SCHOOL DISTRICT NO. 1 GENERAL FUND
 PO BOX 730 (719) 783-2357
 WESTCLIFFE, CO 81252

CHECK NO. **052693**

DATE: 06/19/2023	VOUCHER 06-19-23 PS Childcare
AMOUNT **27,950.00**	

PAY: Twenty-seven thousand nine hundred fifty and 00/100

DOLLARS

TO THE ORDER OF:

Jacob R Shy
 920 Mill Street
 Silver Cliff, CO 81252

County of Custer District C 1

00052693

Voucher	Check Date	Payee Name	Total Amount
06-19-23 PS/Childcare	06/19/2023	Jacob R Shy	27,950.00

Invoice No.	Date	PO Number	Description	Amount
PS & Childcare Playground *****	06/19/23 *****	*****	6 Foot tall commerical grace chain link fence around ... *See Warrant Stub Detail Report	\$27,950.00

County of Custer District C 1

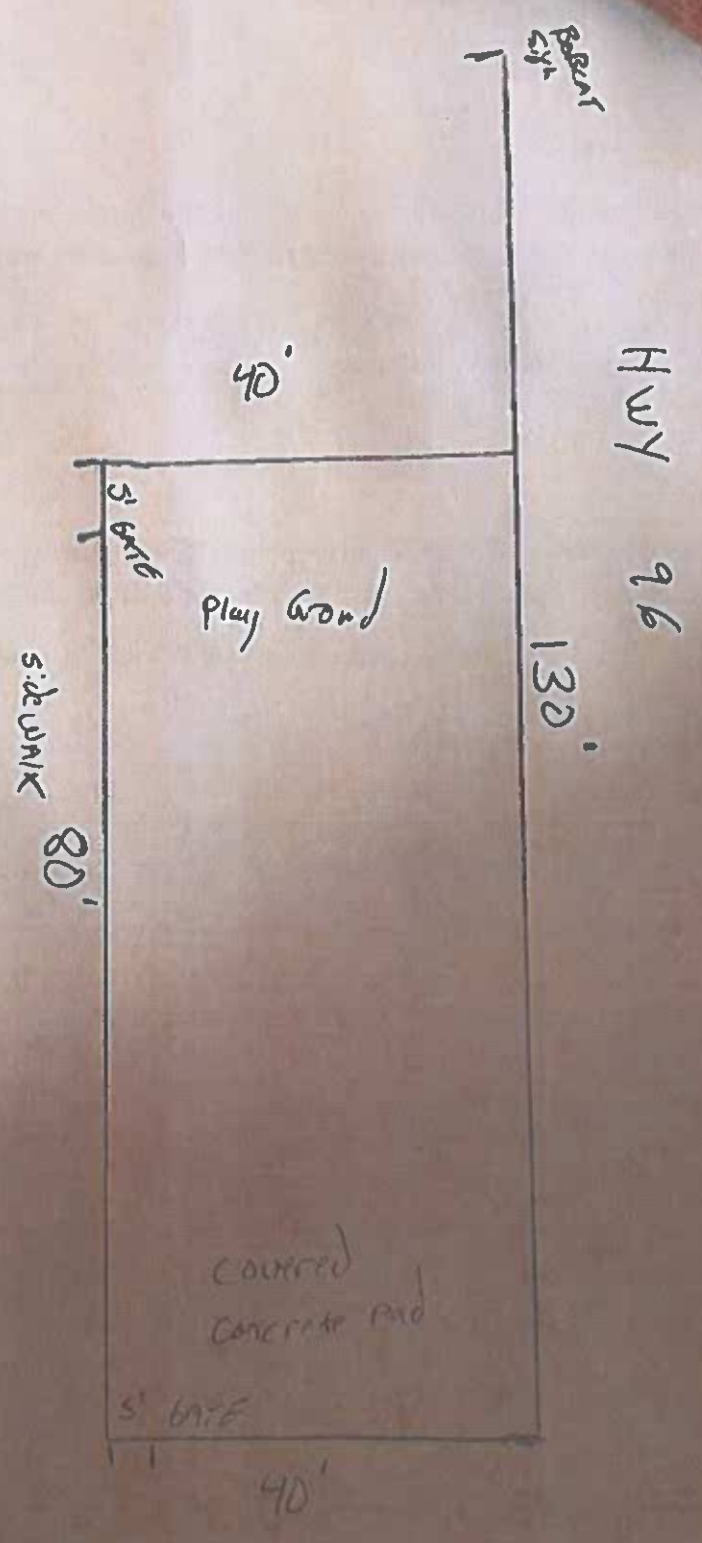
00052693

Voucher	Check Date	Payee Name	Total Amount
06-19-23 PS/Childcare	06/19/2023	Jacob R Shy	27,950.00

Invoice No.	Date	PO Number	Description	Amount
PS & Childcare Playground *****	06/19/23 *****	*****	6 Foot tall commerical grace chain link fence around ... *See Warrant Stub Detail Report	\$27,950.00

Total cost new MATERIAL
 8,000⁰⁰
 Total cost Install
 DONATED

New Fence 290' Total Fence
 Old Fence was 100' Total Fence
 25x25 + 25x25 + 1 GATE
 And no concrete



Proposal for fencing project

Scope of services

-Install 290 feet of 6 foot tall chain link industrial grade fencing with top rail and 3 inch heavy wall pipe posts. It will enclose a playground and pavilion area and contain 7 corners/end structures and 2 5 foot gates.

-Removal of 130 feet of existing fence.

-Will require the boring of approximately 20 holes in existing concrete.

Materials

-200 feet of additional of chain link fencing , 200 feet of top rail , 20 posts and one gate will need to be purchased in addition to the onsite existing materials as a part of this proposal.

-Cost for additional materials estimated at \$8000 and will be required in advance to secure their delivery .

Labor

-My labor and that of my helper will be donated for this portion of the project.

Schedule

-Materials will be ordered once advance payment (8000\$) is received.

-Work will commence within 2 weeks of material delivery. Completion of installation will be within 2 weeks of commencement. Time spans are realistic however dates of start and completion are subject to supply chains and mother nature being outside of the control of Jake Shy. Work will be inspected by both parties together onsite and completion confirmed.

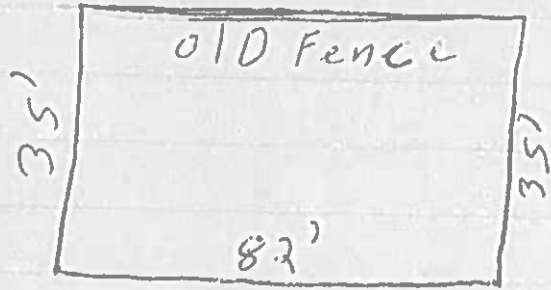
Jake Shy/ Date

By signing this proposal the Custer County School District is responsible for compliance with terms defined herein.

CCHS Name/Title/Date

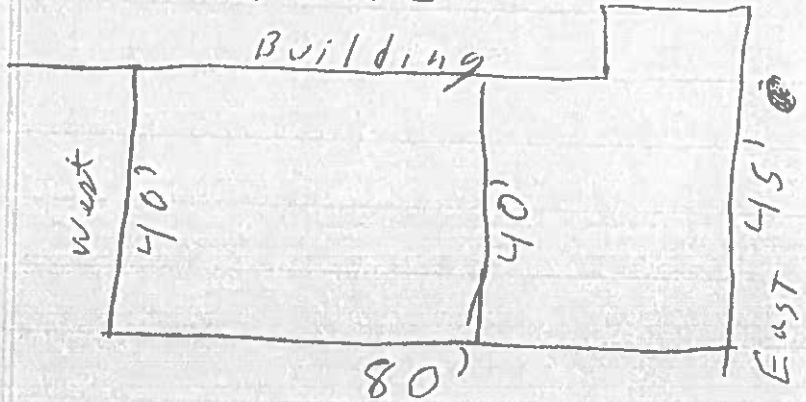
Eugene

Pre School



Child care

Building





Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Re: Fencing Compliance Inquiry

Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Tue, Feb 6, 2024 at
9:34 PM

To: Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net>

Cc: Jordan Benson <bensonproductionsltd@gmail.com>, Jennifer Kriegh
<jennifer.kriegh@ccbobcats.net>, Reggie Foster <reggie.foster@ccbobcats.net>

Jackie,

The sense of urgency in your email is misplaced. The fencing project required this level of attentiveness from you since its inception.

The board understands you have been unsuccessful in obtaining assistance with answering the questions in the inquiry. You gave the \$27,950 check to Mr. Shy almost eight months ago. The requested information and documentation should be readily accessible. Despite this, you waited until 8:08 p.m. on the night of the deadline to advise the board you are still working on the response.

The way you have chosen to respond to the board's request is questionable. You were ill earlier in the week and school was closed yesterday for a snow day. However, rather than requesting an extension to respond, you stated, "I'll get that [your response] to you when I can." You then deflected from the issue at hand by suggesting the board was preventing you from completing the project. Your inability to take accountability for your actions is a disquieting pattern of behavior.

Therefore, the board is requesting the immediate rolling production of your responses to the January 29, 2024 letter. Provide what you have completed thus far along with the date by which you will provide the board with the requested information and/or explanations for any incomplete response. Please submit your initial response by no later than 3:00 p.m. tomorrow, February 7, 2024. Thank you.

[Quoted text hidden]



Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Follow up - Fencing Project Notes

2 messages

Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net>

Fri, Feb 16, 2024 at 4:12 PM

To: Jennifer Kriegh <jennifer.kriegh@ccbobcats.net>, Joseph McCarthy <joseph.mccarthy@ccbobcats.net>, Reggie Foster <reggie.foster@ccbobcats.net>, Jordan Benson <bensonproductionsltd@gmail.com>

Here is the update. I heard back from Jake but he is out of town. He will be at the February 20 meeting to answer any questions.

Kind Regards,
Jackie Crabtree



Custer County School District C-1
(719)783-4951



NOTICE OF CONFIDENTIALITY: This electronic communication may contain confidential student record information intended solely for school business by the individual to whom it is addressed. Any disclosure (verbal or in print), copying, distribution, or use of this information by an unauthorized person is strictly prohibited. Should you receive this electronic communication in error, please notify the sender immediately. Thereafter, please delete the message.

In compliance with Titles VI & VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act of 2008, and Colorado law, Custer County School District does not unlawfully discriminate on the basis of race, color, sex, religion, national origin, ancestry, creed, age, marital status, sexual orientation, genetic information, disability or need for special education services in admissions, access to, treatment, or employment in educational programs or activities which it operates. Complaint procedures have been established for students, parents, employees and members of the

public. The following person(s) have been identified as the compliance officer for the district: Secondary Principal, 709 Main Street, Westcliffe, CO 81252, (719) 783-2291.

NOTICE OF CONFIDENTIALITY: This electronic communication may contain confidential student record information intended solely for school business by the individual to whom it is addressed. Any disclosure (verbal or in print), copying, distribution, or use of this information by an unauthorized person is strictly prohibited. Should you receive this electronic communication in error, please notify the sender immediately. Thereafter, please delete the message.

In compliance with Titles VI & VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act of 2008, and Colorado law, Custer County School District does not unlawfully discriminate on the basis of race, color, sex, religion, national origin, ancestry, creed, age, marital status, sexual orientation, genetic information, disability or need for special education services in admissions, access to, treatment, or employment in educational programs or activities which it operates. Complaint procedures have been established for students, parents, employees and members of the public. The following person(s) have been identified as the compliance officer for the district: Secondary Principal, 709 Main Street, Westcliffe, CO 81252, (719) 783-2291.

 Follow Up - Fencing Project - Google Docs.pdf
178K

Joseph McCarthy <joseph.mccarthy@ccbobcats.net>

Sat, Feb 17, 2024 at
8:27 AM

To: Jackie Crabtree <jacquelynn.crabtree@ccbobcats.net>

Cc: Jennifer Kriegh <jennifer.kriegh@ccbobcats.net>, Reggie Foster

<reggie.foster@ccbobcats.net>, Jordan Benson <bensonproductionsltd@gmail.com>

If you happen to speak to Mr. Shy, you may wish to let him know the board will not be engaging with him at the meeting. It is not how our meetings are run. Of course, he is welcome to attend as is anyone from the public. As an alternative, he can drop any paperwork off with you at your office.

Thank you, Jackie.

[Quoted text hidden]

--

Joseph M. McCarthy

President

Custer County School Board

Response to the Fencing Inquiry

Provided by Jackie Crabtree on ~~January 7,~~
~~2024~~ (Corrected February 7, 2024)

(The bullets below provide the answers to your questions in the following letter.)

Dear Ms.
Crabtree,

As you know, one of the responsibilities of the Custer County School Board is financial stewardship of state and taxpayer funds. On or around May 31, 2023, Carolina Henderson, the Pre-school and Childcare Center Director, wrote a memo to the Custer County School Board requesting "approval for for [sic] a bid to build the two playground fences and the dropoff [sic] Childcare areas." The urgency of Ms. Henderson's request was apparent. She stated, among other things,

"This expense will be covered with the workforce grant received from the Colorado Department of Early Childhood. These projects need to be completed by June 30, 2023 or we loose [sic] the funding."

"...I am recommending the bid by DLC Services."

"This is a very time sensitive situation."

#

'... waiting for this to be addressed in the June board meeting, puts our ability to complete the project and have it funded by the grant in jeopardy.'

There is a paucity of information regarding this project. The work was awarded to Mr. Shy even though his bid did not comply with the school district document entitled, CUSTER COUNTY SCHOOLS NOTICE OF FENCE CONSTRUCTION PROJECT AND INVITATION TO BID. The notice indicated, "The school will only consider bids with detailed materials to be used, deadline of job completion and clear estimated price."

- This was the decision of the school

board.

Mr. Shy was issued a check for \$27,950 on or around June 19, 2023. The amount of the check was equal to the bid in his email to Ms. Henderson on May 24, 2023 at 4:43 PM. It is the Board's understanding that a contract was not executed between the school district and Mr. Shy.

- Mr. Shy did not present a contract to the board. The board did approve his bid without the contract at the June 13 board meeting.

Mr. Shy called the president of the Board regarding the unfinished fence work twice prior to the January 9, 2024 Board Meeting. Mr. Shy expressed frustration concerning his ability to get Ms. Henderson to commit to the dimensions of the fence around the playground area. He stated the size of the job was significantly larger than had been projected. Consequently, the supplies purchased were not adequate for the expanded parameters necessary to comply with the state requirements.

Mr. Shy indicated he has some of, but not all, the necessary supplies to finish the job. Additionally, he stated he has not been able to account for all the unused fencing material. Who gave Mr. Shy permission to store the supplies on school grounds?

- I spoke with Eugene, and he said that Jake Shy left the fencing material here. Other vendors have left their supplies here in the past so this is not unusual.
- What safeguards were taken to protect the supplies? Eugene moved them near the propane tank where there is a camera.
- Has a determination been made whether any of the supplies are missing? Eugene said all the supplies are there.

Mr. Shy sent an email to you and the Board on January 22, 2024 at 1:08 PM regarding completing the fencing project. As was the case with his original bid, the latest submission does not comply with the district's original invitation for bids. Considering the foregoing, you were instructed not to take any action regarding the completion of this project until this matter can be discussed at the January 31, 2024 Special Board Meeting.

- No action regarding the completion of this project occurred. Jake did send the requested contract that I had asked for after the January board meeting. As stated in a previous email, after he sent the sketch to you (which you had told

him was fine in a previous conversation mentioned above) I needed to chat with him about the sketch. You have my previous email explaining this.

The Board is requesting you prepare a detailed written report addressing how the \$27,950 grant money paid to Mr. Shy was spent on this project. At a minimum, your report should address and include the following:

1. A copy of the district's policies and procedures governing employing contractors to perform work for the school, including the district's risk management and required insurance procedures for hiring outside vendors and contractors.

- The bidding policy is DJE.

2. Why the district did not prepare a formal contract describing the work to be performed, and addressing, among other things, Mr. Shy's responsibilities, schedule, compensation, and the method for resolving disputes.

- The contracts are not prepared by the district but by the vendors. The previous board received the information and made their decision with the documents provided. This has been the practice of this school district according to Eugene who has been here 16 years.

3. An explanation of how Mr. Shy's labor costs would be calculated. Specifically, it appears the initial project cost of \$27,950 covered the cost of supplies and labor. However, Mr. Shy is now offering to complete the remainder of the unfinished work at cost, without any compensation for labor.

- The calculation of a vendor would be different from vendor to vendor. That would be based on materials, time and effort, insurance expenses, and profit. Since I am not able to check with Jake Shy on this, you may want to reach out to him for his information. I am including the original emailed bid from Jake Shy that the board approved.
- If there is a concern about future work, here is one solution. Eugene and I could order the additional material and have the school pay for those while using Mr. Shy's donated work and time.

4. Copies of Mr. Shy's proof of general liability insurance, workman's compensation, surety bond, etc. and a statement indicating who obtained these documents and when they were obtained.

- I have reached out to Carolina Henderson to speak with her, but she has not responded to my text messages. The information is not in her email. I also checked with Stacy Terrill, and she does not have it. We can request a copy from Mr. Shy.
- I reached out to Mr. Shy. He is out of town. He will be at the board meeting on February 20, 2024. He will bring a copy of the documents with him.

5. Who on staff authorized the issuance of the \$27,950 check to Mr. Shy, including any written instructions and supporting documentation that may have accompanied the request.

- The check was submitted to Mr. Shy on or around June 19, 2023. That was authorized by the board's decision to go with his bid.

6. An itemized list of all the supplies purchased for the project, a cost breakdown for those supplies, and the corresponding receipts supporting the purchase(s).

- As I stated, I reached out to Carolina Henderson to get the information for the project. She has not responded back to me.
- I checked with Mr. Shy. He does not have an itemized receipt. He placed a bid for this contract. It is not the act of the school to request itemized receipts for purchases of contracted materials. Neither is it required by the grant. The bid itself is the receipt. If you would like a receipt, I will be glad to request one from Mr. Shy.

7. The dimensions of the fence installed for the pre-school/daycare facility.

- Eugene found that the childcare dimensions were approximately 40' x 80' with

an extension of about 5' x 6'. There was also a middle partition fence between the areas of 40',

- Eugene found that the preschool dimensions were originally about 35' x 82'. Jake's sketch said it was 40' x 80' which is close. Plus, he was removing the highway fencing and replacing it with the 6' high chain-link fencing. His "Proposal for Fencing Project" contract outlines this as well.
- Eugene said this was a heavier fence. Mr. Shy had said that he wanted it to be strong enough to stop a car since the playground is located near a road.

8. An itemized list of the supplies used to install the pre-school / daycare facility fence. Provide the total cost for this facet of the project, how the cost is broken down between materials and labor, and the method used to calculate the associated labor costs.

- That is the information we were requesting from Ms. Henderson above. I did check with Stacy Terrill to see if she had that but she said she did not. As stated previously, since I cannot get the information from Ms. Henderson, it would be pertinent to gather the information from Mr. Shy. Once you allow me to move forward with this, I will reach out to him.
- I checked with Mr. Shy. He does not have an itemized receipt. He placed a bid for this contract. It is not the act of the school to request itemized receipts for purchases of contracted materials. Neither is it required by the grant. The contract itself is the receipt. If you would like a receipt, I will be glad to request one from Mr. Shy.

9. An itemized inventory of the remaining supplies after the completion of the pre-school / daycare facility fence. Indicate the value of those supplies based on the purchase price.

- Eugene can gather this or Jake can provide this.

10. Describe your supervisory oversight of this project during and following Ms.

Henderson's employment with the school district.

- Ms. Henderson oversaw the project and worked with Stacy Terrill. Stacy wrote the grant and would check in regularly with Carolina regarding compliance. Per the request of Mr. Shy, this summer I started having meetings with Ms. Henderson because she was not communicating and moving forward with the project. Mr. Shy reached out to me and asked me to be present when he visited with Carolina and the other contractors. She had scheduled both contractors to work at the same time and in the same area. Carolina went over the project with Eugene so he would know what was going on at the facility and how it would impact on his work. She would ask him questions from time to time. I met with Carolina throughout the summer. The previous board was aware of the progress of the project through my superintendent emails or board reports. Stacy Terrill would also report on the progress at the board meetings. The current board assigned me the fencing project at the regular board meeting on January 9, 2024. At which point, I reached out to Mr. Shy that night and requested a bid. We were at a ballgame, so I followed up with an email. When Mr. Shy submitted the sketch on January 22, the current board asked that I "Please put this on the agenda for the January 31 meeting. Do not take any action until then." I informed you know that I was waiting on the contract | had requested from Mr. Shy that he had promised me by January 28. I shared his quote with you that I received on January 27. I received this inquiry letter on January 29.

In addition to the previous inquiry, you requested that I "Provide what you have completed thus far along with the date by which you will provide the board with the requested information and/or explanations for any incomplete response. Please submit your initial response by no later than 3:00 p.m. tomorrow, February 7, 2024. Thank you."

- This is the information that I have for you. Once I am allowed to fulfill my contractual responsibilities and work on this project, I will reach out to Mr. Shy, gather the information that you requested, and provide the rest of your response and documents. I am assuming it will take at least a week to collect the information so the date of completion of this will be one week after you allow me to fulfill my contractual obligations with the project you assigned me on January 9, 2024.
- You would state, "The board understands you have been unsuccessful in obtaining assistance with answering the questions in the inquiry." I am unable to

obtain assistance with answering the questions because the person in charge of the project is no longer employed at CCSD. The other reason I am not able to move forward and obtain assistance is because you have asked that I "Please put this on the agenda for the January 31st meeting. Do not take any action until then." The January 31 meeting was canceled, and the project was not added to the agenda for the next special board meeting on February 7, 2024. And as I stated in a previous email, you are impeding me from moving forward with the project and gathering the requested information.

I spoke with Mr. Shy and he plans to be at the Regular Board meeting on Tuesday, February 20, 2024 to answer any of your questions. He is currently out of town.

Your demands of me are unreasonable. I am the superintendent and am doing my job. If you feel I need to improve on something, it is the board's responsibility to work on that with me. It is not for the board for the board to attack me (which happened at CASB and in emails). I was sick two days last week and we had a snow day this week. I was being open and transparent when I let you know that I was not able to finish the project on Monday. Also, I want it to be clear that the reason the work is not being done is because you are not allowing me to do so.

You have chosen to focus on a project and work that the previous board approved. The project at hand should be finishing the fencing so we can be in compliance, but you seem to be doing everything in your power to keep me from moving forward with the project you assigned me.

I would be remiss if I did not highlight the current unreasonable expectations, lack of professionalism, and communication with the board is becoming untenable given that I've resigned effective June 30. I had hoped that we could transition leadership in an amicable way, but the current tone and tenor of the board leadership is unacceptable, sexist, and demeaning.

Jackie Crabtree

Custer County School District C1 Statement of Revenue and Expenditures

Board Report 01-31-2024

	Current Period Jan 2024	Actuals (YTD)	YTD Remaining Budget	Budget 2023- 2024	% of Budget 2023-2024
REVENUES					
Beginning Fund Balance				\$ -	
Property Taxes	\$ 23,350.48	\$ 188,799.95	\$ 3,677,882.05	\$ 3,866,682.00	5%
Specific Ownership Taxes	\$ 34,999.47	\$ 278,046.99	\$ 161,853.01	\$ 440,000.00	63%
Interest	\$ 12,426.53	\$ 101,872.06	\$ 3,127.94	\$ 105,000.00	97%
Other Local Tax Adjustment	\$ 1,436.92	\$ 8,223.21	\$ 1,776.79	\$ 10,000.00	82%
Other Local Sources	\$ 6,206.14	\$ 124,569.25	\$ 189,503.75	\$ 314,073.00	40%
Sale of Fixed Assets	\$ -	\$ 26,713.78	\$ (26,713.78)	\$ -	
Total State	\$ 23,602.16	\$ 427,981.26	\$ 522,455.74	\$ 950,437.00	45%
Federal	\$ -	\$ 452,578.55	\$ 104,436.45	\$ 557,015.00	81%
Transfer to Capital Projects	\$ -	\$ 1,657.16	\$ (272,257.16)	\$ (270,600.00)	-1%
Insurance Reserve			\$ -	\$ -	
Total General Fund Revenues	\$ 102,021.70	\$ 1,610,442.21	\$ 4,362,164.79	\$ 5,972,607.00	27%

EXPENDITURES BY COST OBJECT					
Total Salaries	\$ 239,076.14	\$ 1,319,818.21	\$ 1,678,049.79	\$ 2,997,866.00	44%
Total Benefits	\$ 89,886.47	\$ 561,552.71	\$ 711,472.29	\$ 1,273,025.00	44%
Purchased Services & Supplies	\$ 108,651.34	\$ 704,655.86	\$ 844,325.14	\$ 1,548,981.00	45%
Capital Projects	\$ -	\$ 81,285.65	\$ 5,714.35	\$ 87,000.00	93%
Other	\$ 1,775.82	\$ 25,303.15	\$ 37,196.85	\$ 62,500.00	40%
Total General Fund Expenditures	\$ 439,388.77	\$ 2,692,613.58	\$ 3,276,758.42	\$ 5,969,372.00	45%

EXPENDITURES BY PROGRAM					
Instructional Services		\$ 1,368,038.40	\$ 1,709,499.61	\$ 3,077,538.01	44%
Instr. Staff Support		\$ 231,111.30	\$ 286,995.97	\$ 518,107.27	45%
General Administration		\$ 309,949.64	\$ 206,891.85	\$ 516,841.69	60%
School Administration		\$ 159,718.14	\$ 142,117.08	\$ 301,835.22	53%
Business Services		\$ 42,970.39	\$ 76,469.59	\$ 119,439.98	36%
Maintenance & Operations		\$ 388,898.31	\$ 291,509.65	\$ 680,408.18	57%
Transportation Services		\$ 132,002.63	\$ 197,420.33	\$ 329,422.75	40%
Central Services		\$ 23,952.32	\$ 84,781.18	\$ 108,733.50	22%
Other Services		\$ 35,972.25	\$ 281,073.15	\$ 317,045.40	11%
Total General Fund Expenditures		\$ 2,692,613.58	\$ 3,276,758.42	\$ 5,969,372.00	45%

Revenues Over (Under) Expenditures \$ (337,367.07) \$ (1,082,171.37)

Previous Year 2022-2023

	Current Period Jan 2023	Actuals (YTD)	YTD Remaining Budget	Budget 2022- 2023	% of Budget 2022-2023
REVENUES					
Beginning Fund Balance				\$ -	
Property Taxes	\$ -	\$ 205,184.92	\$ (205,184.92)	\$ -	
Specific Ownership Taxes	\$ -	\$ 219,495.74	\$ (219,495.74)	\$ -	
Interest	\$ 456.67	\$ 3,689.97	\$ (3,689.97)	\$ -	
Other Local Tax Adjustment	\$ -	\$ 114,896.13	\$ (114,896.13)	\$ -	
Other Local Sources	\$ (1,122.40)	\$ 85,694.94	\$ (85,694.94)	\$ -	
Sale of Fixed Assets			\$ -	\$ -	
Total State	\$ 67,091.72	\$ 809,700.59	\$ (809,700.59)	\$ -	
Federal	\$ 6,211.70	\$ 49,718.34	\$ (49,718.34)	\$ -	
Capital Projects	\$ -	\$ -	\$ -	\$ -	
Insurance Reserve			\$ -	\$ -	
Total General Fund Revenues	\$ 72,637.69	\$ 1,488,380.63	\$ (1,488,380.63)	\$ -	

EXPENDITURES					
Total Salaries	\$ 203,353.27	\$ 1,241,553.66	\$ 1,729,131.34	\$ 2,970,685.00	42%
Total Benefits	\$ 77,842.95	\$ 512,537.38	\$ 798,834.62	\$ 1,311,372.00	39%
Purchased Services & Supplies	\$ 76,420.48	\$ 587,010.86	\$ 957,967.14	\$ 1,544,978.00	38%
Capital Projects	\$ 15,156.28	\$ 113,246.80	\$ (43,746.80)	\$ 69,500.00	163%
Insurance Reserve			\$ 10,000.00	\$ 10,000.00	0%
Reserves			\$ -	\$ -	
Total General Fund Expenditures	\$ 372,772.98	\$ 2,454,348.70	\$ 3,452,186.30	\$ 5,906,535.00	42%

Revenues Over (Under) Expenditures \$ (300,135.29) \$ (965,968.07)

Custer County School District C1

Cash and Investment Account Balances

CASH COMPARATIVE BALANCES

Fund	Prior Month	Net Change	Jan-2024 Current	Jan-23 Last Year	Jan-2022 2 Year Prior
General Fund (10)	\$ 3,583,033.29	\$ (472,911.47)	\$ 3,110,121.82	\$ 2,650,295.91	\$ 2,232,701.79
Insurance Reserve (18)	0	\$ -	\$ -	\$ 45,132.23	\$ 57,054.52
Bond Redemption Fund (31)	\$ 1,037,594.20	\$ (509,708.83)	\$ 527,885.37	\$ 516,182.51	\$ 468,693.23
Bond Construction Fund (41)	\$ 37,362.88	\$ 135.82	\$ 37,498.70	\$ 170,692.97	\$ 385,733.29
Capital Projects Fund (43)	\$ 56,449.48	\$ 5.70	\$ 56,455.18	\$ 55,835.10	\$ 34,576.52
Total at Month End	\$ 4,714,439.85	\$ (982,478.78)	\$ 3,731,961.07	\$ 3,438,138.72	\$ 3,178,759.35

Custer County C1

Statement of Revenues and Expenditures and Change in Fund Balance

Cycle: FY23-24; Fund Class: [All]; Fund Columns: 10,18,21,31,41,43; Account Expression: [All]; Include Element Value: Yes; Revenue Element: Source; Expenditure Element: Obj; Begin Date: 07/01/2023; End Date: 01/31/2024

Description	10 - GENERAL FUND	18 - INSURANCE RESERVE	21 - FOOD SERVICE	31 - BOND REDEMPTION	41 - BOND CONSTRUCTION	43 - CAPITAL PROJECTS	Total
0550 - Printing, Binding, Duplicating	\$5,061.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,061.22
0560 - Tuition	\$2,933.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,933.00
0580 - Travel, Registration and	\$16,515.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,515.86
0600 - Supplies	\$108,410.39	\$0.00	\$1,942.07	\$0.00	\$0.00	\$0.00	\$110,352.46
0610 - General Supplies	\$6,183.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,183.06
0622 - Electricity	\$78,223.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$78,223.39
0623 - Bottled Gas	\$22,411.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,411.10
0626 - Motor Vehicle Fuels	\$15,784.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,784.69
0630 - Food (For Food Service Fund only)	\$0.00	\$0.00	\$48,775.96	\$0.00	\$0.00	\$0.00	\$48,775.96
0650 - Electronic Media Materials	\$4,073.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,073.25
0700 - Property	\$31,510.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,510.00
0722 - New Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$80,630.26	\$0.00	\$80,630.26
0730 - Equipment	\$24,110.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,110.00
0734 - Technology Equipment	\$23,865.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,865.65
0735 - Non-Capital Equipment	\$1,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00
0800 - Other Objects	\$25.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25.00
0810 - Dues and Fees	\$12,847.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,847.41
0831 - Long-term Interest	\$0.00	\$0.00	\$0.00	\$104,418.75	\$0.00	\$0.00	\$104,418.75
0833 - Interest on Leases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$331.87	\$331.87
0910 - Redemption of Principal	\$0.00	\$0.00	\$0.00	\$400,000.00	\$0.00	\$0.00	\$400,000.00
0913 - Principal on Leases	\$12,430.74	\$0.00	\$0.00	\$0.00	\$0.00	\$148,233.74	\$160,664.48
Total Expenditure	\$2,692,613.58	\$0.00	\$105,665.84	\$504,668.75	\$80,710.26	\$148,397.71	\$3,532,056.14
Total Other Financing Sources (Uses)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(\$1,230,736.98)	\$0.00	(\$24,106.75)	(\$448,499.90)	(\$79,636.25)	\$1,307.54	(\$1,781,672.34)
Fund Balance, Beginning of year	\$4,152,602.74	\$0.00	\$6,520.05	\$954,890.62	\$115,661.19	\$52,829.46	\$5,282,504.06
Fund Balance, End of year	\$2,921,865.76	\$0.00	(\$17,586.70)	\$506,390.72	\$36,024.94	\$54,137.00	\$3,500,831.72

Custer County C1

January 2024

Check Report

Begin Date: 01/01/2024; End Date: 01/31/2024; Check Type: Accounts Payable and Payroll Liability; Payee: [All]; Bank: United Business Bank; Accounting Cycle: FY23-24; Limit Results to This Cycle: No; Account Expression: [All]; Show Detail by Voucher: Yes; Created On: 2/13/2024 5:40:59 PM

Payee	Check Date	Check Number	Description	Type	Amount
Alpha Jumpers Inc	01/17/2024	53194	AfterProm - down payment	Accounts Payable	\$500.00
Amazon ECommerce	01/31/2024		Counselor supplies	Accounts Payable	\$1,113.02
Amazon ECommerce	01/31/2024		Custodial Supplies	Accounts Payable	\$211.55
Amazon ECommerce	01/31/2024		Desk calendars for admin office	Accounts Payable	\$41.37
Amazon ECommerce	01/31/2024		Elementary Music	Accounts Payable	\$576.83
Amazon ECommerce	01/31/2024		Items for Nurse's office	Accounts Payable	\$265.50
Amazon ECommerce	01/31/2024		Library books	Accounts Payable	\$1,610.78
Amazon ECommerce	01/31/2024		Preschool supplies	Accounts Payable	\$428.64
Amazon ECommerce	01/31/2024		Printer for Activity Secretary to use with AAWeb software	Accounts Payable	\$279.00
Amazon ECommerce	01/31/2024		Supplies for Nurse's office	Accounts Payable	\$111.80
Anthem Life Insurance Company	01/29/2024		Inv- Anthem 01-26-24	Accounts Payable	\$540.86
Aristala	01/25/2024	53207	Bus Barn Internet - 2/1/24 - 2/29/24	Accounts Payable	\$54.95
AT&T Mobility	01/10/2024		10 Mobile Hotspots from Nov 21 - Dec 20, 2023	Accounts Payable	\$532.20
Allas Building Maintenance, Inc.	01/10/2024	53173	Disinfectant Wipes	Accounts Payable	\$787.99
Allas Building Maintenance, Inc.	01/25/2024	53208	Amaze Laundry Soap Lime Free	Accounts Payable	\$613.70
Bank of Utah-Arbiter Pay Trust Acct	01/17/2024		HS Wrestling officials' fees	Accounts Payable	\$1,755.00
Benoit, Brenda	01/25/2024	53209	Refund for credit card payment made through Infinite Campus portal for student's lunch account. We do not charge for lunches, so we are refunding the money.	Accounts Payable	\$50.00
Black Hills Energy	01/10/2024		Electric bill 11/27/23 - 12/27/23 (includes refund for Quad bill dated 10/26/23-11/27/23)	Accounts Payable	\$18,891.45
Broll LP Gas, LLC	01/10/2024	53174	Propane, Admin Building	Accounts Payable	\$1,644.36
Broll LP Gas, LLC	01/10/2024	53174	Propane, Bus Barn	Accounts Payable	\$1,332.06
Broll LP Gas, LLC	01/10/2024	53174	Propane, School Gym	Accounts Payable	\$3,447.86
CENEX FLEETCARD	01/10/2024	53175	Fuel December 2023	Accounts Payable	\$3,141.10
CenturyLink	01/25/2024		Phone service January 7 - February 6, 2024	Accounts Payable	\$1,314.63
CenturyLink Communications LLC	01/25/2024	53210	Internet through January 12, 2024	Accounts Payable	\$431.00
Colorado State Treasurer	01/04/2024	EFT	Unemployment	Payroll Liability	\$1,496.87
Colorado Dept. Of Revenue	01/08/2024	EFT	State Withholding - CO	Payroll Liability	\$16,311.00
Colorado Dept. Of Revenue	01/24/2024	EFT	State Withholding - CO	Payroll Liability	\$9,924.00
Colorado P E R A	01/24/2024	EFT	PERA Contribution	Payroll Liability	\$79,775.87
Colorado P E R A	01/24/2024	EFT	Pera Ins	Payroll Liability	\$31.00
Colorado PERA 401K	01/24/2024	EFT	Pera 401k	Payroll Liability	\$100.00
Colorado PERA 401K	01/24/2024	EFT	Pera 401k %	Payroll Liability	\$472.04
Coronado High School	01/25/2024	53211	Coronado Cougar Class Cross Country Invitational	Accounts Payable	\$220.00
Credit Card Request	01/31/2024		2024 WLC Full Conference - Sydney Benesch	Accounts Payable	\$655.00
Credit Card Request	01/31/2024		Computer for MTSS	Accounts Payable	\$839.47
Credit Card Request	01/31/2024		Dollar General purchase on Sydney's credit card. No receipt, no PO	Accounts Payable	\$2.12
Credit Card Request	01/31/2024		Door prizes	Accounts Payable	\$50.00
Credit Card Request	01/31/2024		Family Night Supplies December 14, 2023	Accounts Payable	\$303.07
Credit Card Request	01/31/2024		Flinn Scientific Inc PO 1165 dated 11/29/23 - remainder of order	Accounts Payable	\$46.50
Credit Card Request	01/31/2024		Flowers for Katherine Johnston for Christmas music program	Accounts Payable	\$40.00
Credit Card Request	01/31/2024		Food for MS Basketball Tournament	Accounts Payable	\$188.15
Credit Card Request	01/31/2024		Food for Catch-up Friday	Accounts Payable	\$165.60
Credit Card Request	01/31/2024		Hotel Rooms and parking fee for CASB Conference for new board members 12/8/23 - 12-9-23	Accounts Payable	\$1,945.64
Credit Card Request	01/31/2024		Hotel Rooms for HS Wrestling Tournament	Accounts Payable	\$462.96
Credit Card Request	01/31/2024		HS Boys Wrestling travel 12/9/23	Accounts Payable	\$320.95
Credit Card Request	01/31/2024		November subscription	Accounts Payable	\$149.95
Credit Card Request	01/31/2024		Online Based Kessler Science Supplemental Curriculum **Nathan Yip Foundation Grant	Accounts Payable	\$579.00
Credit Card Request	01/31/2024		Parts Town refunded tax on PO 1199	Accounts Payable	(\$20.94)
Credit Card Request	01/31/2024		Pizza for College Funding Night	Accounts Payable	\$52.33
Credit Card Request	01/31/2024		Pizza for Senior Grad Lunch	Accounts Payable	\$37.31
Credit Card Request	01/31/2024		Prizes for student of the month	Accounts Payable	\$86.22
Credit Card Request	01/31/2024		Registration for Early Childhood conference	Accounts Payable	\$1,200.00
Credit Card Request	01/31/2024		Shelves for refrigerator in Quad #3	Accounts Payable	\$202.56
Credit Card Request	01/31/2024		Snowcats Adult Pass - ACTIVITY ACCOUNT	Accounts Payable	\$499.00
Credit Card Request	01/31/2024		Supplies for Bobcat bucks	Accounts Payable	\$213.80
Credit Card Request	01/31/2024		T-shirts for SoS week	Accounts Payable	\$377.51

Credit Card Request	01/31/2024		Unlimited basketball assist	Accounts Payable	\$1,849.00
Crestone Graphics	01/25/2024	53212	Record Board Magnet	Accounts Payable	\$40.00
Custer County School Hot Lunch Fund	01/25/2024	53213	December 2023 Childcare Meals	Accounts Payable	\$602.00
Department of Children, Youth, and Families	01/25/2024	53214	Portable Background Check	Accounts Payable	\$54.50
FITS	01/10/2024	53176	Bus #14 Maintenance and repair	Accounts Payable	\$524.15
FITS	01/10/2024	53176	Bus #4 Maintenance and repair	Accounts Payable	\$112.37
Hal Walter	01/10/2024	53177	Reimbursement for Cross Country supplies	Accounts Payable	\$42.67
HMC Networks, Inc.	01/10/2024	53178	Billing for January 2024	Accounts Payable	\$2,025.00
Hoelting & Company, Inc	01/10/2024	53179	Interim billing for 2023 Audit	Accounts Payable	\$15,000.00
Hough Electric Inc.	01/25/2024	53215	Parking Lot lights installation and supplies	Accounts Payable	\$2,054.00
IRS	01/04/2024	EFT	Federal Withholding	Payroll Liability	\$8.78
IRS	01/04/2024	EFT	Medicare	Payroll Liability	\$53.77
IRS	01/22/2024	EFT	Federal Withholding	Payroll Liability	\$13,974.52
IRS	01/22/2024	EFT	Medicare	Payroll Liability	\$7,156.86
J W Pepper & Son, Inc.	01/10/2024	53180	Jurassic Park music	Accounts Payable	\$45.00
Johnson Controls Fire Protection LP	01/25/2024	53216	Alarm and Detection Regular Labor and equipment	Accounts Payable	\$881.55
Joseph McCarthy	01/25/2024	53217	CASB Conference reimbursement for meal and mileage	Accounts Payable	\$130.64
Juniper Ridge Plumbing	01/25/2024	53218	Repair and materials to repair Laars circulating boiler pump	Accounts Payable	\$2,358.13
K12 Accounting, LLC	01/10/2024	53181	CCSD Business Office Services - December 2023 less reimbursement for GRT October 2023 and November 2023	Accounts Payable	\$6,548.87
K12 Accounting, LLC	01/10/2024	53181	Reimbursement for paper to print W2s	Accounts Payable	\$65.70
K12 Accounting, LLC	01/25/2024	53219	CCSD Business Office Services - December 2023/ reimbursement for GRT October and November 2023	Accounts Payable	\$6,548.87
Laminator.com	01/10/2024	53182	Laminator and film package, shipping	Accounts Payable	\$2,719.99
Lowe's Pay and Save Inc	01/10/2024	53183	Purchases	Accounts Payable	\$528.14
McCandless Truck Center, LLC.	01/10/2024	53184	CDE Inspection, repairs, maintenance on Bus 2	Accounts Payable	\$1,206.70
MetLife	01/04/2024	53172	Inv: 01-04-2024	Accounts Payable	\$433.02
P Bar O Disposal	01/10/2024	53185	Admin trash \$500 Trans trash \$50	Accounts Payable	\$550.00
Pinnacol Assurance	01/10/2024	53186	Installment 7 of 9	Accounts Payable	\$1,638.00
ProCare Therapy	01/10/2024	53187	2023-12-15 Pamela Fitzsimmons	Accounts Payable	\$3,145.60
ProCare Therapy	01/10/2024	53187	2023-12-22 Pam Fitzsimmons	Accounts Payable	\$1,887.36
ProCare Therapy	01/25/2024	53220	SPEED contract services - Pam Fitzsimmons 20214-01-05	Accounts Payable	\$1,258.24
ProCare Therapy	01/25/2024	53220	SPEED contract services - Pam Fitzsimmons 2024-01-12	Accounts Payable	\$3,145.60
Quill Corporation	01/10/2024	53188	All under PO 1286	Accounts Payable	\$136.16
Round Mountain Water	01/10/2024	53189	110 N 7th St	Accounts Payable	\$91.80
Round Mountain Water	01/10/2024	53189	515 Strait Street	Accounts Payable	\$63.80
Round Mountain Water	01/10/2024	53189	709 Main St - East End	Accounts Payable	\$483.40
Round Mountain Water	01/10/2024	53189	709 Main St Gym	Accounts Payable	\$183.00
Round Mountain Water	01/10/2024	53189	709 Main St West End	Accounts Payable	\$225.20
Round Mountain Water	01/10/2024	53189	709 Main Street	Accounts Payable	\$63.80
Round Mountain Water	01/10/2024	53189	795 North Avenue	Accounts Payable	\$63.30
Round Mountain Water	01/10/2024	53189	Football Field Tap	Accounts Payable	\$29.30
Sangre de Cristo Sentinel	01/10/2024	53190	Help Wanted Ad x 4 - 12/8, 12/15, 12/22, 12/29	Accounts Payable	\$80.00
Shamrock CO Foods Division	01/25/2024	53221	CCKC Family Fun Night	Accounts Payable	\$613.04
Shamrock CO Foods Division	01/25/2024	53221	Hot Lunch Food	Accounts Payable	\$6,995.41
Southern Tire Mart	01/25/2024	53222	Tires for Nissan	Accounts Payable	\$817.20
Sugar and Spice Mountain Bakery	01/30/2024	53225	Re-issuse check 52681 from 6/6/23	Accounts Payable	\$344.45
Trane U.S. Inc.	01/25/2024	53223	Service agreement December 1, 2023 to May 31, 2024	Accounts Payable	\$6,131.00
United Business Bank	01/22/2024	EFT	Direct Deposit	Payroll Liability	\$175,575.95
Valley Ace Hardware - Accounting	01/10/2024	53191	Cable ties, 3-range volt tester	Accounts Payable	\$16.93
Valley Ace Hardware - Accounting	01/10/2024	53191	mouse trap, mice bait	Accounts Payable	\$25.57
Valley Ace Hardware - Accounting	01/10/2024	53191	Spray adhesive	Accounts Payable	\$13.59
Valley Ace Hardware - Accounting	01/10/2024	53191	Tape Mount, Gorilla Mounting Tape	Accounts Payable	\$28.76
Valley Ace Hardware - Accounting	01/10/2024	53191	Thermostat digital	Accounts Payable	\$22.39
West Music	01/25/2024	53224	Drums that were backordered and not paid for under PO 1264	Accounts Payable	\$108.86
Westcliffe Petroleum, Inc.	01/10/2024	53192	Fuel	Accounts Payable	\$264.70
Xerox Financial Services	01/10/2024	53193	Lease 12/30/23 - 01/29/24 Copies 11/30/23 - 12/29/23	Accounts Payable	\$522.81
Xerox Financial Services	01/10/2024	53193	Lease 12/30/23 - 1/29/24 Copies 11/30/23 - 12/29/23	Accounts Payable	\$1,878.88
Sub Total					\$427,770.96

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 01/01/2024 to 01/31/2024.

Site ID	Site Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
Group ID	Group Name					
Activity ID	Activity Name					
BobCats Custer County School Student Activity Fund						
A	Activities					
100	General Activities Fund	11,753.72	0.00	0.00	0.00	11,753.72
102	Athletic Admin	1,637.40	0.00	0.00	0.00	1,637.40
105	West Central League	3,657.07	0.00	0.00	0.00	3,657.07
111	Sports Officials Pay	0.00	0.00	0.00	0.00	0.00
112	HS Wrestling Fees-Gates	0.00	0.00	0.00	0.00	0.00
114	HS Track Fees-Gates	0.00	0.00	0.00	0.00	0.00
120	HS Football Fees-Gates	3,344.95	0.00	0.00	0.00	3,344.95
121	HS Volleyball Fees-Gates	2,104.00	0.00	0.00	0.00	2,104.00
122	HS Basketball Fees-Gates	415.00	1,645.00	300.00	0.00	1,760.00
125	HS Baseball Fees-Gates	0.00	0.00	0.00	0.00	0.00
127	HS Cross Country Fees	335.00	0.00	0.00	0.00	335.00
130	HS Student Council (STUCO)	-1,107.00	0.00	273.92	0.00	-1,380.92
132	HS Business Club	587.15	0.00	0.00	0.00	587.15
135	MS Student Council (STUCO)	3,555.46	0.00	135.00	0.00	3,420.46
136	MS History Club	476.10	0.00	0.00	0.00	476.10
137	MS Life Skills	1,272.11	0.00	0.00	0.00	1,272.11
139	Band Equipment Fund	292.00	0.00	0.00	0.00	292.00
140	Band	542.90	0.00	0.00	0.00	542.90
141	HS Golf - Girls	500.00	0.00	0.00	0.00	500.00
142	Choir	1,242.03	0.00	0.00	0.00	1,242.03
144	Community Band	119.32	0.00	0.00	0.00	119.32
145	Knowledge Bowl	805.00	0.00	0.00	0.00	805.00
150	Library	169.18	0.00	0.00	0.00	169.18
170	Woodshop	687.94	0.00	0.00	0.00	687.94
171	Building Trades	8,522.76	0.00	0.00	0.00	8,522.76
172	MS Special Education	1,591.10	0.00	0.00	0.00	1,591.10
182	Elementary SPED/Interact Club	292.31	0.00	0.00	0.00	292.31
185	Yearbook	1,062.36	0.00	0.00	0.00	1,062.36
186	Robotics Club	55.07	0.00	0.00	0.00	55.07
198	HS-MS Fund	87.32	0.00	0.00	0.00	87.32
200	Exellence in Education	44.52	0.00	0.00	0.00	44.52
201	Elementary Fund ? General	1,863.35	0.00	0.00	0.00	1,863.35
202	Student Assistance	0.00	0.00	0.00	0.00	0.00
203	Field Trip Fund	-1,927.53	0.00	0.00	0.00	-1,927.53
204	School Supplies	188.90	0.00	0.00	0.00	188.90
205	Gifted & Talented Grant	58.20	0.00	0.00	0.00	58.20
206	9th Grade Health	78.79	0.00	0.00	0.00	78.79
207	CCIRA	432.70	0.00	0.00	0.00	432.70
208	Elementary Counselor	1,774.84	0.00	0.00	0.00	1,774.84
210	National Honor Society	808.34	60.00	0.00	0.00	868.34
211	Elementary Music	1,973.76	0.00	0.00	0.00	1,973.76
220	Reading Intervention	802.99	0.00	0.00	0.00	802.99
221	HS SPED-Life Skills	1,623.56	0.00	59.03	0.00	1,564.53

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 01/01/2024 to 01/31/2024.

Site ID Group ID	Site Name Group Name	Activity ID	Activity Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
222			Staff Incentive	320.13	650.00	0.00	0.00	970.13
223			Festival of Trees	3,368.63	0.00	26.50	0.00	3,342.13
224			Literacy Fund	0.00	0.00	0.00	0.00	0.00
225			Summer Fun	1,915.85	0.00	0.00	0.00	1,915.85
226			IDEA Class	176.12	0.00	0.00	0.00	176.12
227			Staff Celebration Account	475.23	0.00	333.00	0.00	142.23
250			Board-Admin School Assist	2,362.23	0.00	0.00	0.00	2,362.23
260			HS-College Relations	0.00	0.00	0.00	0.00	0.00
265			College Board Tests	-148.16	0.00	0.00	0.00	-148.16
270			Adult Education	1.00	0.00	0.00	0.00	1.00
275			Staff-Faculty Scholarship	13,575.45	0.00	0.00	0.00	13,575.45
280			Computer Insurance Pool	9,481.01	0.00	0.00	0.00	9,481.01
281			Student Computer Fees	6,956.79	190.30	0.00	0.00	7,147.09
285			Online Courses	360.00	0.00	0.00	0.00	360.00
290			Art	160.09	0.00	0.00	0.00	160.09
291			Snacks	1,192.74	0.00	0.00	0.00	1,192.74
292			Rebecca Fund	-318.05	0.00	0.00	0.00	-318.05
293			Healthy Fund	833.38	0.00	0.00	0.00	833.38
300			F.F.A.	60,617.50	960.00	28.16	0.00	61,549.34
301			Sources of Strength	7.79	0.00	0.00	0.00	7.79
302			Bobcat Bucks	-329.38	0.00	213.80	0.00	-543.18
304			Fred Berry Memorial Fund	870.00	0.00	0.00	0.00	870.00
305			ELF (ED Legacy Fund)	29,856.05	0.00	0.00	0.00	29,856.05
330			VO AG Shop Supplies	141.71	0.00	0.00	0.00	141.71
333			SRO	1,115.00	0.00	0.00	0.00	1,115.00
350			Drama Club (MS-HS)	914.31	90.00	0.00	0.00	1,004.31
351			Clay Busters Club	2,194.60	0.00	79.97	0.00	2,114.63
352			HS Football Activity	-1,216.00	0.00	0.00	0.00	-1,216.00
354			HS Track-Field Activity	-27.98	0.00	0.00	0.00	-27.98
355			HS GIRLS Volleyball Activity	1,392.29	0.00	0.00	0.00	1,392.29
360			HS GIRLS Basketball Activity	2,237.87	0.00	0.00	0.00	2,237.87
365			HS BOYS Basketball Activity	1,065.39	0.00	0.00	0.00	1,065.39
366			HS Wrestling Activity	500.00	4,595.00	2,155.00	0.00	2,940.00
370			MS Girls Basketball Activity	0.00	0.00	0.00	0.00	0.00
373			MS Boys Basketball Activity	83.46	0.00	0.00	0.00	83.46
375			MS Girls Volleyball Activity	358.24	0.00	0.00	0.00	358.24
376			MS Track & Field Activity	109.11	0.00	0.00	0.00	109.11
380			HS BOYS Baseball Activity	-1,111.00	0.00	0.00	0.00	-1,111.00
381			MS Baseball Activity	-34.57	0.00	0.00	0.00	-34.57
382			MS Wrestling Activity	34.00	0.00	0.00	0.00	34.00
383			Cross Country Activity	1,357.27	0.00	0.00	0.00	1,357.27
384			Cheer	1,386.02	0.00	0.00	0.00	1,386.02
385			Take Down Club	4,298.61	0.00	4,705.03	0.00	-406.42
390			HS Football Booster Club	4,206.65	0.00	0.00	0.00	4,206.65
395			General Athletics Fundraiser	1,454.73	0.00	0.00	0.00	1,454.73

Current Cash Balance

Sorted by Site ID, Group ID, Activity ID.
From 01/01/2024 to 01/31/2024.

Site ID Group ID	Site Name Group Name	Beginning Cash	Receipts	Disbursements	Adjustments	Cash Balance
400	Activities Booster Fund	240.00	0.00	0.00	0.00	240.00
401	Preschool	714.40	0.00	0.00	0.00	714.40
402	Class of 2024 (Seniors)	1,982.68	0.00	0.00	0.00	1,982.68
403	Class of 2023 - Seniors	197.81	0.00	0.00	0.00	197.81
404	Class of 2022	1,026.02	0.00	0.00	0.00	1,026.02
405	Class of 2021	556.24	0.00	0.00	0.00	556.24
406	Class of 2020	0.00	0.00	0.00	0.00	0.00
407	Class of 2026 (SO 23-24)	179.64	0.00	0.00	0.00	179.64
408	Class of 2027 (FR 23-24)	189.88	0.00	0.00	0.00	189.88
409	AP History (was Honors Hist)	0.00	0.00	0.00	0.00	0.00
410	Snowcats	210.75	983.00	499.00	0.00	694.75
411	Harley D Shirts	0.00	0.00	0.00	0.00	0.00
412	Class of 2025 (JR 23-24)	3,597.56	0.00	0.00	0.00	3,597.56
421	After Prom Activity	2,401.87	0.00	500.00	0.00	1,901.87
422	Senior Parking Spots	125.00	0.00	0.00	0.00	125.00
430	Kindergarten Class	0.00	0.00	0.00	0.00	0.00
431	1st Grade	0.00	0.00	0.00	0.00	0.00
432	2nd Grade	0.00	0.00	0.00	0.00	0.00
433	3rd Grade	30.12	0.00	0.00	0.00	30.12
434	4th Grade	224.25	0.00	0.00	0.00	224.25
435	5th Grade	0.00	0.00	0.00	0.00	0.00
436	6th Grade	0.00	0.00	0.00	0.00	0.00
437	7th Grade	0.00	0.00	0.00	0.00	0.00
438	8th Grade	3,551.60	0.00	0.00	0.00	3,551.60
500	Petty Cash	0.00	0.00	0.00	0.00	0.00
A Totals:		219,144.60	9,173.30	9,308.41	0.00	219,009.49
BobCats Activity Totals:		219,144.60	9,173.30	9,308.41	0.00	219,009.49

	Begin Balance	Transfers	Receipts	Disbursements	Adjustments	End Balance
BobCats Checking:			9,173.30	9,308.41		
BobCats Investment:						
BobCats Bank Balances:	219,144.60		9,173.30	9,308.41	0.00	219,009.49

Report Activity Totals:	219,144.60	9,173.30	9,308.41	0.00	219,009.49
--------------------------------	-------------------	-----------------	-----------------	-------------	-------------------



February 2, 2024

To the Board of Education
Custer County School District Number C-1

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Custer County School District Number C-1 for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Custer County School District Number C-1 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by Custer County School District Number C-1 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting Custer County School District Number C-1's financial statements was:

Management's estimate of straight-line depreciation for each asset is based on the estimated services lives of the various assets. We evaluated the key factors and assumptions used to develop the depreciation calculation and service lives of each asset in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no such sensitive disclosures included in the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 2, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Custer County School District Number C-1's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Custer County School District Number C-1's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the

supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Education and management of Custer County School District Number C-1 and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Hoelting & Company, Inc.
Certified Public Accountants

Custer County School District Number C-1
Passed Journal Entries
June 30, 2023

Debit

Credit

None.

**CUSTER COUNTY SCHOOL DISTRICT
NUMBER C-1**

**FINANCIAL STATEMENTS
With Independent Auditors' Report**

Year Ended June 30, 2023

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
TABLE OF CONTENTS
JUNE 30, 2023**

FINANCIAL SECTION	Page
Independent Auditors' Report	iii
Management's Discussion and Analysis	vi
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet—Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	6
Notes to Financial Statements	7
Required Supplementary Information:	
Schedule of the Employer's Proportionate Share of the Net Pension Liability	40
Schedule of the Employer's Payroll Contributions – Pension	41
Schedule of the Employer's Proportionate Share of the Net OPEB Liability	42
Schedule of the Employer's Payroll Contributions – OPEB	43
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	44
Combining and Individual Fund Statements and Schedules:	
<i>Bond Redemption Fund:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual	45

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
TABLE OF CONTENTS
JUNE 30, 2023**

	Page
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules (Continued):	
<i>Non-major Governmental Funds:</i>	
Combining Balance Sheet	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual	
Food Service Fund	48
Student Activity Fund	49
Building Fund	50
Capital Projects Reserve Fund	51
COMPLIANCE SECTION	
Single Audit:	
Schedule of Expenditures of Federal Awards	52
Notes to the Schedule of Expenditures of Federal Awards	53
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	54
Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by <i>Uniform Guidance</i>	56
Schedule of Findings and Questioned Costs	59
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan	62
State Compliance:	
Independent Auditors' Report on Colorado School District/BOCES Auditors' Integrity Report	63
Colorado School District/BOCES Auditor's Integrity Report	64



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Custer County School District Number C-1

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Custer County School District Number C-1, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Custer County School District Number C-1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Custer County School District Number C-1, as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Custer County School District Number C-1 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 Custer County School District Number C-1'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 and *Government 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 and *Government 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 Custer County School District Number C-1'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 Custer County School District Number C-1'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 and required supplementary information 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 Custer County School District Number C-1's basic financial statements. The accompanying combining and individual fund statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2024 on our consideration of the Custer County School District Number C-1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Custer County School District Number C-1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Custer County School District Number C-1's internal control over financial reporting and compliance.

Hoelting & Company, Inc.

Colorado Springs, Colorado
February 2, 2024

CUSTER COUNTY SCHOOL DISTRICT C-1
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2023

As management of Custer County School District C-1, we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of Custer County School District C-1 for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

During Fiscal Year 2023, the District continued efforts to recover from the COVID-19 pandemic as well as address long-standing issues. With support from the Board of Education, the District focused heavily on increasing teacher pay, addressing safety concerns, and facility maintenance. Base teacher pay was increased by over \$5,000 and returning staff members received retention stipends. The district nearly doubled the number of security cameras on campus to help increase building safety and incident preparedness. The maintenance team also worked to replace the exterior doors. The district hopes to continue to make improvements to the facility and to teacher pay in FY24 as it transitions away from pandemic relief funding. The district also hopes to continue to improve communication with the community through the redesign of the district's website.

The district's General Fund carryover balance reflects an increase of \$540,777 from the prior year. This increase was due to the continued influx of federal Covid relief funds, increased property taxes revenue because of Amendment B, and a 1% increase in our mill levy as a result of the Colorado Department of Education's mandatory reduction of tax credits. Local and state funding decreased. The District received \$278,741.42 in Federal Coronavirus Relief funding from ESSER II and III. This is a decrease of nearly \$445,000 from Fiscal Year 2022. The District continues to use ESSER III funds to fund several years of summer school and the opening of a childcare facility as well as hire additional staff to assist in the increased IT and maintenance needs brought on by the pandemic. The District also received \$150,000 in Employer Based Childcare funding and \$56,409 in other local contributions. Both were used to support the opening of a childcare facility. We are diligently watching state funding levels and it appears per pupil funding is set to increase. However, with continued reduction in student count and the rollout of Universal Preschool, extra diligence will be taken to look at program funding going into FY23-24.

Though budget restrictions and increasing insurance costs continue to be a challenge, the District continues to maintain its benefit package for all eligible employees changing from a higher deductible partially self-funded insurance plan to a similar high deductible level-funded insurance plan with a new carrier and a similar monthly payment. This decision was made with the input of the District's Insurance Committee who hope to regain the benefits from level-funded plans in the past. The new plan brought premium payment money not utilized by claims back to the District, which allowed for enhanced benefits as well as increased out-of-pocket and deductible assistance. Similarly, the medical gap insurance provided to assist with the deductible has been replaced with a Health Reimbursement Plan. Like the level-funded plan, the unused Health Reimbursement Plan

payments will be returned to the District. It will take 2-4 years to determine the success of the plan's ability to level out benefit costs to the district as it attempts to enhance benefits for its employees.

Fiscal Year 2022-23 saw a decrease in student enrollment by 13 students compared to Fiscal Year 2021-22. The official funded count varies from actual funded count students due to five-year averaging for Districts with declining enrollment. However, as is the trend throughout the state in education, we are anticipating per pupil funding to decline as counts have not returned to pre-covid numbers and the five-year average will no longer include the larger, pre-covid years. After the Hold-Harmless provision for Fiscal Year 2023-24, the District also anticipates a decrease in preschool funding for Fiscal Year 2024-25 under the UPK program.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net position presents information on all the district's assets and liabilities, and deferred inflows and outflows, with the difference being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the district's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of yearend).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the district's near-term financing requirements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The district has two major governmental funds: the General Fund and Bond Redemption Fund.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

The District's net position is a positive \$8,120,896. The increase from the prior year balance is due to the adoption of GASB Statement No. 68, resulting in a net pension liability of \$6,447,784 representing the District's proportionate share of PERA's net pension liability and the \$219,870 of net OPEB liability for the district's share of PERA's OPEB liability. Of the Net Position, \$(1,835,613) is unrestricted. \$8,710,768 is the District's net investment in capital assets. \$168,000 is restricted (reserved for emergencies) to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. In addition, \$954,891 is restricted for debt service and an additional \$122,850 is restricted for multi-year obligations.

Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 6,103,346	\$ 5,838,861
Capital assets, net of depreciation	<u>14,618,301</u>	<u>14,758,427</u>
Total assets	<u>20,721,647</u>	<u>20,597,288</u>
Deferred outflows of resources	<u>1,639,349</u>	<u>1,546,197</u>
Current liabilities	525,781	725,031
Noncurrent liabilities	<u>12,768,313</u>	<u>11,455,975</u>
Total liabilities	<u>13,294,094</u>	<u>12,181,006</u>
Deferred inflow of resources	<u>946,006</u>	<u>2,349,944</u>
Net position:		
Net investment in capital assets	8,710,768	8,712,524
Restricted	1,245,741	1,311,961
Unrestricted	<u>(1,835,613)</u>	<u>(2,411,950)</u>
Total net position (deficit)	<u>\$ 8,120,896</u>	<u>\$ 7,612,535</u>

Condensed Statement of Activities

	2023	2022
Revenues:		
General revenues:		
Property taxes	\$ 3,765,117	\$ 3,696,758
Specific ownership taxes	532,964	487,456
Per pupil revenue	772,476	765,667
Other	332,524	230,857
Program revenues:		
Charges for services	94,962	43,797
Operating grants and contributions	1,626,387	1,680,178
Capital grants and contributions	11,332	-
Total revenues	7,135,762	6,904,713
Expenses:		
Instruction	3,569,430	2,114,670
Supporting services	2,368,955	1,756,966
Community Services	255,957	120,000
Education for Adults	5,866	5,866
Interest in long-term debt	219,049	248,466
Food service	208,144	132,738
Facilities acquisition	-	369,271
Total expenses	6,627,401	4,747,977
Change in net position	508,361	2,156,736
Net position, beginning, as originally stated (deficit)	7,612,535	5,292,854
Prior period adjustment	-	162,945
Net position, beginning as restated (deficit)	7,612,535	5,455,799
Net position, ending (deficit)	\$ 8,120,896	\$ 7,612,535

Financial Analysis of the District's Funds

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,465,340, an increase of \$450,380 (reflecting slightly higher than budgeted tax revenues, and lower than anticipated budgeted expenditures in some areas).

The General Fund is the major operating fund of the District. At the end of the current fiscal year, fund balance increased by \$540,777 (from \$3,611,826 to \$4,152,603).

The Bond Redemption Fund ending fund balance increased by \$34,630 (from \$920,261 to \$954,891). The bond refundings in 2005, 2012 and 2014 resulted in an increased balance in the Fund in those years. The Board of Education and management set the bond mill levy to meet the higher bond redemption obligations for the 2018 Bond issuance with minimal change to the fund balance in the Bond Redemption Fund. The carryover fund balance still reflects an amount which would meet at least one year's obligations for bond redemption, in the event of default by any of the District's significantly large taxpayers. The district plans to lower the December 2023 Bond Mill Levy, using a portion of the fund balance for bond payments due to unprecedented inflation and the failure of Proposition HH.

General Fund Budgetary Highlights

The District budgeted for General Fund expenditures of \$6,079,493 for the year ended June 30, 2023. Expenditures actually made in the General Fund totaled \$5,423,296. Budgeted revenues were projected at \$6,108,968 and actually came in at \$6,115,978. Both revenues and expenses reflect an increase from the previous fiscal year. This can be attributed to the receipt and use of COVID relief and local funding and the cost of launching the new childcare center.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2023, amounts to \$14,618,301. More information on the District's capital assets can be found in Note 5 to the financial statements.

Long-term debt. As of June 30, 2023, the District had \$805,000 bonds payable from the bond issue of 2004 and the related refunding of 2012, which authorized the building of a new physical education complex that includes a gym, locker rooms, weight room, concession and storage areas, handicap accessible restrooms, and coaches' offices. The District also has \$4,740,000 bonds payable from bonds issued in 2018 as a match for a state BEST grant to upgrade HVAC, security, and communications systems along with other building upgrades throughout the facilities.

Compensated absences, which is \$48,678, and severance are expected to be liquidated with revenues of the general fund. More information on the District's long-term debt can be found in Note 7 to the financial statements.

The District had two capital lease/purchase agreements outstanding as of June 30, 2023. The first was to remodel an existing old preschool building into four apartments for affordable teacher housing (known as the QUAD) in order to recruit and retain quality teachers. The outstanding balance for that agreement at the end of the fiscal year was \$148,245. The second was a lease agreement for Xerox copy machines. The balance on that agreement at the end of the fiscal year was \$72,128.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the District is student enrollment. Actual funded enrollment for 2022-2023 preschool-12th grades was apx. 337 a decrease of 8 pupils from the prior

year. Per pupil funding from the state is expected to increase, but the District anticipated the number of students we will be funded for will decline due to five-year averaging and our larger pre-covid pupil counts falling off. The district will also be dealing with the new funding model for Universal Preschool. It is not fully known yet how that will affect our 2023-2024 funding, but it is expected we will see a decline in revenue.

The increased size of the District's facilities over the last fifteen years has increased utilities and operational expenses. The major renovations to the District including geothermal HVAC, solar panels, and LED lights have reduced utilities to a modest degree, especially propane, but the promised decreases expected were not as significant as promised as we are now relying more on electricity and electricity costs continue to increase. This was taken into consideration in the planning of the budget for 2022-2023. The ripple effects of COVID on global supply chains continue affect costs of transportation, meanwhile state budget cuts continue to decrease funding for transportation. Because we are a small, rural school district with the majority of our students living outside of Westcliffe, the operation of our bus routes is imperative to providing our students with a quality education. This year included a capital outlay of over \$130,000 for a new bus. We anticipate these costs to continue to increase. We have seen an increase in staff due to hiring additional IT and maintenance support with COVID funds and hiring the staff required to launch our childcare facility, also funded with COVID funds. The challenge for future budgets will be to either reduce staff to pre-COVID numbers and/or ensure there is enough other funding to support the added positions and work to ensure the childcare facility is self-sufficient. The District's need to subsidize the food service program from the General Fund decreased significantly in 2021-22 due to Federal Aid, however the subsidy was once again necessary in Fiscal Year 2022-23. The impact of the Healthy School Meals for All program is not yet known. Funding from Property Taxes is set to increase due to inflation in the coming years, but the Budget Stabilization Factor may negate some of this impact. Overall the budget is expected to remain tight for the next two or three years. Over the duration of the pandemic CCSD has received close to \$2 million in Federal and State funds in Covid relieve which has been used to add personnel, technology, summer school, and increase sanitation. The District has made a concerted effort not to become reliant on these funds as they will be a short duration.

Requests for Information

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

Custer County School District C-1
709 Main Street, P.O. Box 730
Westcliffe, CO 81252

BASIC FINANCIAL STATEMENTS

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,272,610
Cash with County Treasurer	93,625
Taxes receivable	226,410
Grants receivable	502,319
Other receivables	916
Inventories and prepaid items	7,466
Capital assets, not being depreciated/amortization	703,850
Capital assets being depreciated/amortization	<u>13,914,451</u>
Total assets	<u>20,721,647</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	28,787
Deferred pension outflows	1,562,081
Deferred OPEB outflows	<u>48,481</u>
Total deferred outflows of resources	<u>1,639,349</u>
LIABILITIES	
Accounts payable and other current liabilities	78,678
Accrued salaries and benefits	372,481
Unearned revenue	57,219
Accrued interest	17,403
Long-term liabilities	
Due within one year	421,067
Due in more than one year	5,679,592
Net pension liability	6,447,784
Net OPEB liability	<u>219,870</u>
Total liabilities	<u>13,294,094</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	864,724
Deferred OPEB inflows	<u>81,282</u>
Total deferred inflows of resources	<u>946,006</u>
NET POSITION	
Net investment in capital assets	8,710,768
Restricted for:	
Emergency reserve (TABOR)	168,000
Multi-year obligation	122,850
Debt service	954,891
Unrestricted	<u>(1,835,613)</u>
Total net position	<u>\$ 8,120,896</u>

The accompanying notes are an integral part of these financial statements.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
Instruction	\$ 3,569,430	\$ 38,988	\$ 1,143,036	\$ 11,332	\$ (2,376,074)
Supporting services	2,368,955	-	181,011	-	(2,187,944)
Food service operations	208,144	30,236	119,389	-	(58,519)
Community services	255,957	25,738	182,951	-	(47,268)
Education for adults	5,866	-	-	-	(5,866)
Interest on long-term debt	219,049	-	-	-	(219,049)
Total governmental activities	<u>\$ 6,627,401</u>	<u>\$ 94,962</u>	<u>\$ 1,626,387</u>	<u>\$ 11,332</u>	<u>(4,894,720)</u>
General revenues:					
Property taxes					3,765,117
Specific ownership taxes					532,964
State equalization					772,476
Grants and contributions not restricted to specific programs					37,174
Unrestricted investment earnings					68,043
Miscellaneous					227,307
Total general revenues					<u>5,403,081</u>
Change in net position					<u>508,361</u>
Net position - beginning					<u>7,612,535</u>
Net position - ending					<u>\$ 8,120,896</u>

The accompanying notes are an integral part of these financial statements.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 3,981,734	\$ 932,698	\$ 358,178	\$ 5,272,610
Cash with County Treasurer	87,480	6,145	-	93,625
Taxes receivable	188,867	37,543	-	226,410
Grants receivable	491,626	-	10,693	502,319
Other receivables	916	-	-	916
Due from other funds	1,457	-	-	1,457
Inventories and prepaid items	3,646	-	3,820	7,466
	<u>3,981,734</u>	<u>932,698</u>	<u>358,178</u>	<u>5,272,610</u>
Total assets	<u>\$ 4,755,726</u>	<u>\$ 976,386</u>	<u>\$ 372,691</u>	<u>\$ 6,104,803</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 74,145	\$ -	\$ 4,533	\$ 78,678
Accrued salaries and benefits	364,726	-	7,755	372,481
Due to other funds	-	-	1,457	1,457
Unearned revenue	56,119	-	1,100	57,219
	<u>74,145</u>	<u>-</u>	<u>4,533</u>	<u>78,678</u>
Total liabilities	<u>494,990</u>	<u>-</u>	<u>14,845</u>	<u>509,835</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	108,133	21,495	-	129,628
	<u>108,133</u>	<u>21,495</u>	<u>-</u>	<u>129,628</u>
Total deferred inflows of resources	<u>108,133</u>	<u>21,495</u>	<u>-</u>	<u>129,628</u>
FUND BALANCES				
Nonspendable for:				
Inventories and prepaid items	3,646	-	3,820	7,466
Restricted for:				
Emergency reserve (TABOR)	168,000	-	-	168,000
Multi-year obligation	122,850	-	-	122,850
Debt service	-	954,891	-	954,891
Capital projects	-	-	115,661	115,661
Committed for:				
Food service operations	-	-	2,700	2,700
Pupil Activities	-	-	182,836	182,836
Assigned for:				
Capital projects	-	-	52,829	52,829
Unassigned	3,858,107	-	-	3,858,107
	<u>3,858,107</u>	<u>-</u>	<u>-</u>	<u>3,858,107</u>
Total fund balances	<u>4,152,603</u>	<u>954,891</u>	<u>357,846</u>	<u>5,465,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,755,726</u>	<u>\$ 976,386</u>	<u>\$ 372,691</u>	<u>\$ 6,104,803</u>

The accompanying notes are an integral part of these financial statements.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023**

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

Total fund balance - governmental funds	\$	5,465,340
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$	703,850
Capital assets, net of depreciation		<u>13,914,451</u>
		14,618,301
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		129,628
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	\$	28,787
Net pension liabilities		(6,447,784)
Pension outflows		1,562,081
Pension inflows		(864,724)
Net OPEB liabilities		(219,870)
OPEB outflows		48,481
OPEB inflows		(81,282)
Accrued interest		(17,403)
Compensated absences		(48,678)
Leases		(220,373)
Unamortized premium on bonds		(286,608)
Bonds payable		<u>(5,545,000)</u>
		<u>(12,092,373)</u>
Net position of governmental activities in the statement of net position	\$	<u><u>8,120,896</u></u>

The accompanying notes are an integral part of these financial statements.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Bond Redemption Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 3,948,238	\$ 629,555	\$ 199,149	\$ 4,776,942
State sources	1,523,524	-	5,737	1,529,261
Federal sources	644,225	-	112,084	756,309
Total revenues	6,115,987	629,555	316,970	7,062,512
EXPENDITURES				
Instruction	2,604,136	-	114,481	2,718,617
Supporting services	2,302,159	-	144,191	2,446,350
Food service operations	-	-	199,130	199,130
Community services	247,391	-	-	247,391
Education for adults	5,866	-	-	5,866
Facilities acquisition and construction	259,431	-	191,072	450,503
Debt service	4,313	594,925	17,059	616,297
Total expenditures	5,423,296	594,925	665,933	6,684,154
Excess (deficiency) of revenues over expenditures	692,691	34,630	(348,963)	378,358
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	223,936	223,936
Transfers out	(223,936)	-	-	(223,936)
Lease proceeds	72,022	-	-	72,022
Total other financing sources (uses)	(151,914)	-	223,936	72,022
Net change in fund balances	540,777	34,630	(125,027)	450,380
Fund balances - beginning	3,611,826	920,261	482,873	5,014,960
Fund balances - ending	\$ 4,152,603	\$ 954,891	\$ 357,846	\$ 5,465,340

The accompanying notes are an integral part of these financial statements.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - total governmental funds:	\$	450,380
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	\$ 673,302	
Depreciation/amortization expense	<u>(813,428)</u>	(140,126)
Governmental funds do not present property tax revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
		12,524
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond principal payments	\$ 380,000	
Lease principal payments	11,229	
Proceeds from leases	<u>(72,022)</u>	319,207
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 the governmental funds.		
Accrued interest on long-term debt	\$ 831	
Amortization of premiums and deferred on refunding	5,188	
Compensated absences	(15,578)	
Changes in pension related items	(151,771)	
Changes in OPEB related items	<u>27,706</u>	<u>(133,624)</u>
Change in net position of governmental activities	\$	<u><u>508,361</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Custer County School District Number C-1 (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District was established in 1879 and is organized under the Constitution of the State of Colorado. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Based on the application of these criteria, the District does not include additional organizations within its reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bond Redemption Fund* accounts for property taxes restricted for the servicing of the District's general obligation debt.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The *Food Service Fund* accounts for transactions related to food service operations. It also accounts for USDA school breakfast/lunch money.

The *Student Activity Fund* is used to account for the revenues and expenditures related to school sponsored student intrascholastic and interscholastic athletic and other related activities. The fund receives subsidies from the General Fund.

The *Building Fund* accounts for debt proceeds and grants used for the acquisition and construction of capital assets.

The *Capital Projects Reserve Fund* is used to accumulate resources for the acquisition, renovation and maintenance of capital assets.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are 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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

***D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/
FUND BALANCE***

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and prepaid items

Inventories are recorded as expenditures/expenses when consumed rather than when purchased. General warehouse inventory is valued at cost using the first-in/first-out (FIFO) method. Food Service inventory is stated at cost using the weighted average method except for commodities. USDA donated food commodities are valued at estimated acquisition value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease 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. For lease assets, only those intangible lease assets that cost more than \$50,000 are reported as capital assets.

As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	20-50 years
Equipment	5-15 years
Vehicles	5-10 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue includes resources received by the District before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases

Lessee: The District is a lessee for noncancellable leases of buildings and vehicles. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

Custer County School District Number C-1 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.

OPEB

Custer County School District Number C-1 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

E. REVENUES AND EXPENDITURES/EXPENSES

Property Taxes

Property taxes for the current year are certified in arrears to the County by December 15, and attach as an enforceable lien on property the following January 1. Property taxes are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The County Treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2022 is 24.937 mills for general operating expenses and 4.957 mills for the payment of long-term debt. The District's assessed valuation for the collection year 2023 is \$121,167,270.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month and are considered unrestricted intergovernmental revenues. Specific ownership taxes are recorded as revenue when collected by the county.

Compensated Absences

District employees are allowed one day of leave for each month of duty or contract time. Employees are compensated for 25% of accrued leave upon leaving the District at the employees' regular base rate provided they have five years of prior service in the District. These compensated absences are recognized when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

The current portion of this liability represents the amounts that would be liquidated with expendable available financial resources and would be recorded in the General Fund. The current portion is not material. Therefore, a liability of these benefits has not been reflected in these statements.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Superintendent submits a proposed budget to the Board of Education for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Education to obtain public comments.

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonably foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the District budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year. All appropriations lapse at the end of each fiscal year.

Excess of Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the Bond Redemption Fund, Food Service Fund, and Student Activity Fund by \$4,587, \$11,957, and \$24,481, respectively. These over-expenditures were greater than anticipated revenues and available beginning fund balances.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2023 is as follows:

Deposits	\$ 1,952,305
Investments	<u>3,320,305</u>
 Total	 <u>\$ 5,272,610</u>

Deposits and investments are reported in the financial statements as follows:

Cash and investments	\$ <u>5,272,610</u>
----------------------	---------------------

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the District’s deposits at June 30, 2023 was \$1,952,305 and the bank balances were \$2,001,597. Of the bank balances, \$500,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies’ securities;
- Certain international agencies’ securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers’ acceptances of certain banks;
- Certain commercial paper;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market fund;
- Guaranteed investment contracts.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023 the District’s investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor’s Rating</u>
ColoTrust	\$ <u>3,320,305</u>	Net asset value	Less than 90 days	AAAm

Local Government Investment Pools. The Colorado Local Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians’ internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District’s investments are in ColoTrust. These investments are 100.0% of the District’s total investments.

In accordance with state law, the District has designated UMB as the third party custodian for the bond redemption fund. Funds held at June 30, 2023 total \$932,698.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 223,936
Non-major funds	<u>223,936</u>	<u>-</u>
Total	<u>\$ 223,936</u>	<u>\$ 223,936</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers & Retirements</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$ 151,400	\$ -	\$ -	\$ 151,400
Construction in progress	330,368	399,863	(177,781)	552,450
Total capital assets not being depreciated	<u>481,768</u>	<u>399,863</u>	<u>(177,781)</u>	<u>703,850</u>
Capital assets being depreciated:				
Buildings and improvements	19,210,168	207,855	-	19,418,023
Equipment	111,034	39,355	-	150,389
Vehicles	773,618	131,988	38,791	944,397
Total capital assets being depreciated	<u>20,094,820</u>	<u>379,198</u>	<u>-</u>	<u>20,512,809</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,356,182)	(726,498)	-	(6,082,680)
Equipment	(62,927)	(11,611)	-	(74,538)
Vehicles	(638,617)	(41,560)	35,244	(644,933)
Total accumulated depreciation	<u>(6,057,726)</u>	<u>(779,669)</u>	<u>35,244</u>	<u>(6,802,151)</u>
Total capital assets being depreciated, net	<u>14,037,094</u>	<u>(400,471)</u>	<u>74,035</u>	<u>13,710,658</u>
Lease assets being amortized:				
Buildings and improvements	162,945	-	-	162,945
Equipment	-	72,022	-	72,022
Vehicles	121,701	-	(121,701)	-
Total lease assets being amortized	<u>284,646</u>	<u>72,022</u>	<u>(121,701)</u>	<u>234,967</u>
Less accumulated amortization for:				
Buildings and improvements	(9,585)	(9,585)	-	(19,170)
Equipment	-	(12,004)	-	(12,004)
Vehicles	(35,496)	(12,170)	47,666	-
Total accumulated amortization	<u>(45,081)</u>	<u>(33,759)</u>	<u>47,666</u>	<u>(31,174)</u>
Total lease assets being amortized, net	<u>239,565</u>	<u>38,263</u>	<u>(74,035)</u>	<u>203,793</u>
Capital assets, net of accumulated depreciation/amortization	<u>14,276,659</u>	<u>(362,208)</u>	<u>-</u>	<u>13,914,451</u>
Total governmental activities capital assets	<u>\$ 14,758,427</u>	<u>\$ 37,655</u>	<u>\$ (177,781)</u>	<u>\$ 14,618,301</u>

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities

Instruction	\$ 743,943
Supporting services	65,244
Food Services	<u>4,241</u>
Total depreciation/amortization expense	<u>\$ 813,428</u>

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into lease agreements involving educational facilities and equipment with lease terms ranging from one to 16 years. The total costs of these right-to-use lease assets are recorded as \$234,967, less accumulated amortization of \$31,174. The District has determined that as of June 30, 2023, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,067	\$ 9,826	\$ 30,893
2025	22,093	8,800	30,893
2026	23,151	7,742	30,893
2027	24,259	6,634	30,893
2028	21,095	5,485	26,580
2029 – 2033	50,062	18,146	68,208
2034 – 2038	<u>58,648</u>	<u>6,148</u>	<u>64,796</u>
Total	<u>\$ 220,375</u>	<u>\$ 62,781</u>	<u>\$ 283,156</u>

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General Obligation bonds outstanding at June 30, 2023 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
G.O. Refunding bonds 2012	\$ 1,900,000	0.75% - 3.00%	2025	\$ 805,000
G.O. Bonds 2018	4,740,000	3.00% - 4.00%	2038	<u>4,740,000</u>
Total				<u>\$ 5,545,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 400,000	\$ 203,337
2025	405,000	192,269
2026	290,000	182,350
2027	295,000	172,100
2028	310,000	160,000
2029 – 2033	1,735,000	600,900
2034 – 2038	<u>2,110,000</u>	<u>217,600</u>
Total	<u>\$ 5,545,000</u>	<u>\$ 1,728,556</u>

Legal Debt Margin

Assessed valuation	<u>\$ 121,167,270</u>
Debt limit – 20% of assessed valuation	24,233,454
General obligation debt	<u>(5,545,000)</u>
	<u>\$ 18,688,454</u>

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

Changes in the District’s long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One year</u>
<i>Governmental Activities</i>					
General obligation bonds	\$ 5,925,000	\$ -	\$ (380,000)	\$ 5,545,000	\$ 400,000
Premiums	<u>311,411</u>	<u>-</u>	<u>(24,803)</u>	<u>286,608</u>	<u>-</u>
Total bonds payable	6,236,411	-	(404,803)	5,831,608	400,000
Leases	159,580	72,022	(11,229)	220,373	21,067
Compensated absences	33,100	15,578	-	48,678	-
Net pension liability	4,794,905	2,849,412	(1,196,533)	6,447,784	-
Net OPEB liability	<u>231,979</u>	<u>33,987</u>	<u>(46,096)</u>	<u>219,870</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>\$ 11,455,975</u>	<u>\$ 2,970,999</u>	<u>\$ (1,658,661)</u>	<u>\$ 12,768,313</u>	<u>\$ 421,067</u>

General obligation bonds are liquidated in the debt service fund. Leases are liquidated in the general fund. Approximately 90% of compensated absences, net pension liabilities, and net OPEB liabilities are normally liquidated in the general fund, with remaining amounts liquidated in other governmental funds.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Custer County School District Number C-1 are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2023: Eligible employees of, Custer County School District Number C-1 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%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Custer County School District Number C-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Custer County School District Number C-1 were \$567,490 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 \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

Pension Liabilities, 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 (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Custer County School District Number C-1 proportion of the net pension liability was based on Custer County School District Number C-1 contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2023, the Custer County School District Number C-1 reported a liability of \$6,447,784 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Custer County School District Number C-1 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 Custer County School District Number C-1 were as follows:

Custer County School District Number C-1 proportionate share of the net pension liability	\$ 6,447,784
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Custer County School District Number C-1	1,878,949
Total	\$ 8,326,733

At December 31, 2022, the Custer County School District Number C-1 proportion was 0.0354089706%, which was a decrease of 0.0057936980% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Custer County School District Number C-1 recognized pension expense of \$151,771 and revenue of \$220,953 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Custer County School District Number C-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 61,021	\$ -
Changes of assumptions or other inputs	114,211	-
Net difference between projected and actual earnings on pension plan investments	866,175	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	221,170	864,724
Contributions subsequent to the measurement date	299,504	N/A
Total	\$ 1,562,081	\$ 864,724

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$299,504 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$ (151,947)
2025	(181,574)
2026	227,559
2027	503,815
2028	-
Thereafter	-

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

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

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

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

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

Post-retirement non-disabled mortality assumptions were based 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.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

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

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

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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 Custer County School District Number C-1 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 8,437,932	\$ 6,447,784	\$ 4,785,807

Pension plan fiduciary net position. Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Custer County School District Number C-1 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

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

PERA Benefit Structure

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Custer County School District Number C-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Custer County School District Number C-1 were \$28,405 for the year ended June 30, 2023.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

At June 30, 2023, the Custer County School District Number C-1 reported a liability of \$219,870 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 Custer County School District Number C-1 proportion of the net OPEB liability was based on Custer County School District Number C-1 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 Custer County School District Number C-1 proportion was 0.0269289997%, which was an increase of 0.0000267735% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Custer County School District Number C-1 recognized OPEB expense of \$(27,706). At June 30, 2023, the Custer County School District Number C-1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 29	\$ 53,172
Changes of assumptions or other inputs	3,534	24,267
Net difference between projected and actual earnings on OPEB plan investments	13,429	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	16,499	3,843
Contributions subsequent to the measurement date	14,990	N/A
Total	\$ 48,481	\$ 81,282

\$14,990 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	\$ (20,403)
2025	(15,510)
2026	(5,914)
2027	717
2028	(5,373)
Thereafter	(1,308)

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	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.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Age-Related Morbidity Assumptions

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

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

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.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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 that were used to measure the TOL are summarized in the table below:

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using 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 School Division were based upon the PubT-2010 Employee 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.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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.

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 13, 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.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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:

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

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

Sensitivity of the Custer County School District Number C-1 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	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	\$ 213,646	\$ 219,870	\$ 226,641

¹For the January 1, 2023, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 254,894	\$ 219,870	\$ 189,912

OPEB plan fiduciary net position. Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disasters.

The District purchases commercial insurance for property, liability and worker’s compensation risks of loss. Settlements have not exceeded premiums for each of the past three fiscal years.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 – JOINTLY GOVERNED ORGANIZATION

The District, in conjunction with other surrounding districts, created the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their administrative office located at PO Box 9103 Pueblo, CO 81008.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grants

The District has 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. However, in the opinion of the District, any such adjustments will not have a material adverse effect on the financial position of the District.

NOTE 13 - 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, including school districts.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2023 there is a \$168,000 reservation of fund balance in the General Fund for the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

In November 1998, voters within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during the fiscal year 1998-99 and each year thereafter without regard to the limitations and conditions under Article X, Section 20, of the Colorado Constitution or any other law.

The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

The School Finance Act requires inclusion of the Colorado School District/BOCES, Electronic Financial Data Integrity Check Figures as a supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

REQUIRED SUPPLEMENTARY INFORMATION

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0354089706%	0.0412026686%	0.0447105273%	0.0384851756%	0.0376477966%	0.0448609804%	0.0466033858%	0.0472904952%	0.0468757833%	0.0489363092%
District's proportionate share of the net pension liability (asset)	\$ 6,447,784	\$ 4,794,905	\$ 6,759,330	\$ 5,749,602	\$ 6,666,316	\$ 14,506,447	\$ 13,875,650	\$ 7,232,747	\$ 6,353,243	\$ 6,241,813
State's proportionate share of the net pension liability (asset) associated with the School	1,878,949	549,675	729,264	911,526						
Total	\$ 8,326,733	\$ 5,344,580	\$ 6,759,330	\$ 6,478,866	\$ 7,577,842	\$ 14,506,447	\$ 13,875,650	\$ 7,232,747	\$ 6,353,243	\$ 6,241,813
District's covered payroll	\$ 2,731,393	\$ 2,575,037	\$ 2,391,023	\$ 2,261,706	\$ 2,069,714	\$ 2,069,383	\$ 2,091,642	\$ 2,060,909	\$ 1,963,756	\$ 1,972,778
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.06%	186.21%	282.70%	254.22%	322.09%	701.00%	663.38%	350.95%	323.53%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 567,490	\$ 528,041	\$ 494,496	\$ 447,583	\$ 420,673	\$ 386,754	\$ 382,991	\$ 371,636	\$ 340,394	\$ 307,511
Contributions in relation to the contractually required contribution	(567,490)	(528,041)	(494,496)	(447,583)	(420,673)	(386,754)	(382,991)	(371,636)	(340,394)	(307,511)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,784,546	\$ 2,656,140	\$ 2,487,467	\$ 2,309,563	\$ 2,198,196	\$ 2,048,167	\$ 2,083,315	\$ 2,095,280	\$ 2,015,297	\$ 1,923,340
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.14%	18.88%	18.38%	17.74%	16.89%	15.99%

• The amounts presented for each fiscal year were determined as of 6/30.

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.0269289997%	0.0269022262%	0.0258559907%	0.0251535909%	0.0244712663%	0.0254898298%
District's proportionate share of the net OPEB liability (asset)	\$ 219,870	\$ 231,979	\$ 245,690	\$ 282,726	\$ 332,942	\$ 331,266
District's covered payroll	\$ 2,731,393	\$ 2,575,037	\$ 2,391,023	\$ 2,261,706	\$ 2,069,714	\$ 2,069,383
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%

- The amounts presented for each year were determined as of 12/31.
- Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 28,405	\$ 27,093	\$ 25,360	\$ 23,547	\$ 22,422	\$ 20,891
Contributions in relation to the contractually required contribution	<u>(28,405)</u>	<u>(27,093)</u>	<u>(25,360)</u>	<u>(23,547)</u>	<u>(22,422)</u>	<u>(20,891)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,784,546	\$ 2,656,140	\$ 2,487,467	\$ 2,309,563	\$ 2,198,196	\$ 2,048,167
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

- * The amounts presented for each fiscal year were determined as of 6/30.
- * Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation is the Capital Projects and Insurance Reserve Sub-Funds of the General Fund. These funds allow the District to separate the accounting and maintain a self-balancing set of records specific to this activity.

The General Fund is deemed to be a major fund for financial reporting purposes.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Property taxes	\$ 2,869,890	\$ 3,086,430	\$ 3,142,860	\$ 56,430
Specific ownership taxes	486,674	523,395	532,964	9,569
Other local sources	248,854	267,573	272,414	4,841
Total local sources	<u>3,605,418</u>	<u>3,877,397</u>	<u>3,948,238</u>	<u>70,841</u>
State sources:				
State equalization	691,087	837,689	772,476	(65,213)
Other state funding	671,917	814,453	751,048	(63,405)
Total state sources	<u>1,363,004</u>	<u>1,652,142</u>	<u>1,523,524</u>	<u>(128,618)</u>
Federal sources	659,157	579,429	644,225	64,796
Total revenues	<u>5,627,579</u>	<u>6,108,968</u>	<u>6,115,987</u>	<u>7,019</u>
EXPENDITURES				
Instruction	2,792,177	2,858,777	2,604,136	254,641
Supporting services:				
Student services	463,090	318,109	316,092	2,017
Instructional staff	160,735	233,649	210,512	23,137
General administration	302,114	842,008	442,140	399,868
School administration	486,320	227,848	252,301	(24,453)
Business services	127,615	135,272	129,535	5,737
Operation and maintenance	566,973	636,428	700,215	(63,787)
Student transportation	242,759	302,940	251,364	51,576
Community services	188,894	224,462	247,391	(22,929)
Education for adults	-	-	5,866	(5,866)
Facilities acquisition and construction	198,087	300,000	259,431	40,569
Debt service	-	-	4,313	(4,313)
Total expenditures	<u>5,528,765</u>	<u>6,079,493</u>	<u>5,423,296</u>	<u>656,197</u>
Excess (deficiency) of revenues over expenditures	<u>98,814</u>	<u>29,475</u>	<u>692,691</u>	<u>663,216</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(117,000)	(207,085)	(223,936)	(16,851)
Long-term debt proceeds	-	-	72,022	72,022
Total other financing sources (uses)	<u>(117,000)</u>	<u>(207,085)</u>	<u>(151,914)</u>	<u>55,171</u>
Net change in fund balance	(18,186)	(177,610)	540,777	718,387
Fund balance - beginning	2,948,724	3,553,858	3,611,826	57,968
Fund balance - ending	<u>\$ 2,930,538</u>	<u>\$ 3,376,248</u>	<u>\$ 4,152,603</u>	<u>\$ 776,355</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOND REDEMPTION FUND

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt.

The Bond Redemption Fund is deemed to be a major fund for financial reporting purposes.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
 BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Property taxes	\$ 590,432	\$ 609,734	\$ 19,302
Other local sources	19,194	19,821	627
Total revenues	<u>609,626</u>	<u>629,555</u>	<u>19,929</u>
EXPENDITURES			
Debt service	<u>590,338</u>	<u>594,925</u>	<u>(4,587)</u>
Total expenditures	<u>590,338</u>	<u>594,925</u>	<u>(4,587)</u>
Net change in fund balance	19,288	34,630	15,342
Fund balance - beginning	<u>920,261</u>	<u>920,261</u>	<u>-</u>
Fund balance - ending	<u>\$ 939,549</u>	<u>\$ 954,891</u>	<u>\$ 15,342</u>

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. These funds may be required by statute or ordinance and others may be established through resolutions by the Board of Education for purposes of better administration. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Student Activity Fund

This fund accounts for the transactions of student organizations and clubs.

Building Fund

The Building Fund is used to account for significant capital expenditures of the District.

Capital Projects Reserve Fund

The Capital Projects Reserve Fund is used to accumulate resources, for the acquisition, renovation and maintenance of capital assets.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Building Fund</u>	<u>Capital Projects Reserve Fund</u>	
ASSETS					
Cash and investments	\$ 999	\$ 183,628	\$ 117,135	\$ 56,416	\$ 358,178
Grants receivables	10,693	-	-	-	10,693
Inventories and prepaids	3,820	-	-	-	3,820
Total assets	<u>\$ 15,512</u>	<u>\$ 183,628</u>	<u>\$ 117,135</u>	<u>\$ 56,416</u>	<u>\$ 372,691</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 1,237	\$ -	\$ 827	\$ 2,469	\$ 4,533
Accrued salaries and benefits	7,755	-	-	-	7,755
Due to other funds	-	792	647	18	1,457
Unearned revenue	-	-	-	1,100	1,100
Total liabilities	<u>8,992</u>	<u>792</u>	<u>1,474</u>	<u>3,587</u>	<u>14,845</u>
FUND BALANCES					
Nonspendable	3,820	-	-	-	3,820
Restricted for capital projects	-	-	115,661	-	115,661
Committed for:					
Food service operations	2,700	-	-	-	2,700
Pupil activities	-	182,836	-	-	182,836
Assigned for:					
Capital projects	-	-	-	52,829	52,829
Total fund balances	<u>6,520</u>	<u>182,836</u>	<u>115,661</u>	<u>52,829</u>	<u>357,846</u>
Total liabilities and fund balances	<u>\$ 15,512</u>	<u>\$ 183,628</u>	<u>\$ 117,135</u>	<u>\$ 56,416</u>	<u>\$ 372,691</u>

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Building Fund</u>	<u>Capital Projects Reserve Fund</u>	
REVENUES					
Local sources	\$ 31,603	\$ 138,356	\$ 5,047	\$ 24,143	\$ 199,149
State sources	5,737	-	-	-	5,737
Federal sources	112,084	-	-	-	112,084
Total revenues	<u>149,424</u>	<u>138,356</u>	<u>5,047</u>	<u>24,143</u>	<u>316,970</u>
EXPENDITURES					
Instruction	-	114,481	-	-	114,481
Supporting services	-	-	-	144,191	144,191
Food service operations	199,130	-	-	-	199,130
Facilities acquisition and construction	-	-	191,072	-	191,072
Debt service	-	-	-	17,059	17,059
Total expenditures	<u>199,130</u>	<u>114,481</u>	<u>191,072</u>	<u>161,250</u>	<u>665,933</u>
Excess (deficiency) of revenues over (under) expenditures	(49,706)	23,875	(186,025)	(137,107)	(348,963)
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	34,000	-	-	189,936	223,936
Net change in fund balances	(15,706)	23,875	(186,025)	52,829	(125,027)
Fund balances - beginning	22,226	158,961	301,686	-	482,873
Fund balances - ending	<u>\$ 6,520</u>	<u>\$ 182,836</u>	<u>\$ 115,661</u>	<u>\$ 52,829</u>	<u>\$ 357,846</u>

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 26,000	\$ 31,603	\$ 5,603
State sources	1,300	5,737	4,437
Federal sources	78,500	112,084	33,584
Total revenues	<u>105,800</u>	<u>149,424</u>	<u>43,624</u>
EXPENDITURES			
Food service operations	<u>187,173</u>	<u>199,130</u>	<u>(11,957)</u>
Total expenditures	<u>187,173</u>	<u>199,130</u>	<u>(11,957)</u>
Excess (deficiency) of revenues over expenditures	(81,373)	(49,706)	31,667
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>65,000</u>	<u>34,000</u>	<u>(31,000)</u>
Net change in fund balance	(16,373)	(15,706)	667
Fund balance - beginning	<u>22,226</u>	<u>22,226</u>	<u>-</u>
Fund balance - ending	<u>\$ 5,853</u>	<u>\$ 6,520</u>	<u>\$ 667</u>

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
STUDENT ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources	\$ 90,075	\$ 138,356	\$ 48,281
Total revenues	<u>90,075</u>	<u>138,356</u>	<u>48,281</u>
EXPENDITURES			
Instruction	<u>90,000</u>	<u>114,481</u>	<u>(24,481)</u>
Total expenditures	<u>90,000</u>	<u>114,481</u>	<u>(24,481)</u>
Net change in fund balance	75	23,875	23,800
Fund balance - beginning	<u>158,961</u>	<u>158,961</u>	<u>-</u>
Fund balance - ending	<u>\$ 159,036</u>	<u>\$ 182,836</u>	<u>\$ 23,800</u>

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 3,500	\$ 5,047	\$ 1,547
Total revenues	3,500	5,047	1,547
EXPENDITURES			
Facilities acquisition and construction	305,186	191,072	114,114
Total expenditures	305,186	191,072	114,114
Net change in fund balance	(301,686)	(186,025)	115,661
Fund balance - beginning	301,686	301,686	-
Fund balance - ending	\$ -	\$ 115,661	\$ 115,661

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
CAPITAL PROJECTS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources	\$ 26,440	\$ 24,143	\$ (2,297)
Total revenues	<u>26,440</u>	<u>24,143</u>	<u>(2,297)</u>
EXPENDITURES			
Supporting services	165,477	144,191	21,286
Debt service	-	17,059	(17,059)
Total expenditures	<u>165,477</u>	<u>161,250</u>	<u>4,227</u>
Excess (deficiency) of revenues over expenditures	<u>(139,037)</u>	<u>(137,107)</u>	<u>1,930</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>142,085</u>	<u>189,936</u>	<u>47,851</u>
Net change in fund balance	3,048	52,829	49,781
Fund balance - beginning	<u>57,968</u>	<u>-</u>	<u>(57,968)</u>
Fund balance - ending	<u>\$ 61,016</u>	<u>\$ 52,829</u>	<u>\$ (8,187)</u>

See the accompanying independent auditors' report.

COMPLIANCE SECTION

SINGLE AUDIT

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Additional Award Identification	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
<i>Child Nutrition Cluster</i>					
Passed Through Colorado Department of Education					
School Breakfast Program	10.553		4553	\$ -	\$ 9,693
National School Lunch Program	10.555		4555,6555		96,566
Passed Through Colorado Department of Human Services					
National School Lunch Program	10.555		4555		<u>4,544</u>
<i>Total Child Nutrition Cluster</i>					<u>110,803</u>
Passed Through Colorado Department of Education					
State Pandemic Electronic Benefit Transfer (P-EBT)					
Administrative Costs Grants	16.649	COVID-19	4649		<u>1,281</u>
Total U.S. Department of Agriculture					<u>112,084</u>
National Endowment for the Humanities					
Grants to States	45.310		7310		<u>6,000</u>
Total U.S. Department of Health and Human Services					<u>6,000</u>
U.S. Department of Education					
Passed Through Colorado Department of Education					
No Child Left Behind, Title I, Part A	84.010		4010		150,284
State Personnel Development	84.323		5323		19,903
Quality Teacher, Title II, Part A	84.367		4367		40,653
Student Support and Academic Enrichment Program	84.424		4421, 4422		12,690
Education Stabilization Fund					
ESSER III	84.425U	COVID-19	4414, 9414		207,730
ESSER II	84.425D	COVID-19	4420		<u>71,011</u>
Total U.S. Department of Education					<u>502,271</u>
U.S. Department of Health and Human Services					
Direct Programs					
Child Care and Development Block Grant	93.575		7575, 8575		<u>135,954</u>
Total U.S. Department of Health and Human Services					<u>135,954</u>
Total Federal Awards				<u>\$ -</u>	<u>\$ 756,309</u>

See the accompanying independent auditors' report.

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Custer County School District Number C-1 under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Custer County School District Number C-1, it is not intended to and does not present the financial position, changes in net position, or cash flows of Custer County School District Number C-1.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

Custer County School District Number C-1 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2023, Custer County School District Number C-1 received \$4,544 in non-cash assistance in the form of food commodities. Valuation of commodities is based on fair market value at the time of receipt.



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

To the Board of Education
Custer County School District Number C-1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Custer County School District Number C-1, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Custer County School District Number C-1's basic financial statements and have issued our report thereon dated February 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Custer County School District Number C-1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Custer County School District Number C-1's internal control. Accordingly, we do not express an opinion on the effectiveness of Custer County School District Number C-1's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Custer County School District Number C-1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Custer County School District Number C-1's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Custer County School District Number C-1's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Custer County School District Number C-1's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Haeltling & Company Inc.

Colorado Springs, Colorado
February 2, 2024



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

To the Board of Education
Custer County School District Number C-1

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Custer County School District Number C-1's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Custer County School District Number C-1's major federal programs for the year ended June 30, 2023. Custer County School District Number C-1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Custer County School District Number C-1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Custer County School District Number C-1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Custer County School District Number C-1's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Custer County School District Number C-1's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Custer County School District Number C-1's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Custer County School District Number C-1's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Custer County School District Number C-1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Custer County School District Number C-1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Custer County School District Number C-1's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Hoelting & Company Inc.

Colorado Springs, Colorado
February 2, 2024

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? x yes ___ none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes x no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-------------------------------------	---

ALN 84.425	Education Stabilization Fund
------------	------------------------------

Dollar threshold used to distinguish between type A and type B programs?	\$750,000
--	-----------

Auditee qualified as low-risk auditee? x yes ___ no

**CUSTER COUNTY SCHOOL DISTRICT NUMBER C-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II—Financial Statement Findings

2023-001 Segregation of Duties

Criteria: Segregation of duties should be implemented throughout the finance department. There should be proper segregation of duties to ensure that no one person has the ability to initiate, authorize and record financial transactions.

Condition: A single member of management has the ability to record adjusting journal entries, authorize and initiate payments, and perform reconciliations.

Context: This finding was noted during procedures to understand and test control procedures.

Effect: A heightened risk of misstatements due to error or fraud exists under this condition.

Cause: Controls over authorization, initiation and recording have not been fully implemented.

Recommendation: We recommend the preparation and review of journal entries, the authorization and initiation of payments, and the performance of account reconciliations be segregated between different staff members.

Views of responsible officials and planned corrective action: Management agrees with this finding but currently has insufficient personnel/budget resources to implement this control.

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.



Custer County School District, C-1

Post Office Box 730, Westcliffe, Colorado 81252

Michael McFalls – Superintendent

Joe Vergilio – Principal

Main Office: 719-783-2291 / Office Fax: 719-783-4944

Administration: 719-783-2357 / Administration Fax: 719-783-2334

Vision: To Provide a Quality Education in a Safe Environment - Mission: To Prepare Students for Life Beyond Graduation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the Custer County School District Number C-1 Schedule of Findings and Questioned Costs for the year ended June 30, 2022. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2023 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Program/ Cluster Title</u>	<u>Finding</u>	<u>Status of Finding</u>
2022-001	NA	NA	Lack of Segregation of Duties	Not corrected. Reported as finding 2023-001. See page 59.



Custer County School District, C-1

Post Office Box 730, Westcliffe, Colorado 81252

Michael McFalls – Superintendent

Joe Vergilio – Principal

Main Office: 719-783-2291 / Office Fax: 719-783-4944

Administration: 719-783-2357 / Administration Fax: 719-783-2334

Vision: To Provide a Quality Education in a Safe Environment - Mission: To Prepare Students for Life Beyond Graduation

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2023

2023-001 Segregation of Duties

Criteria: Segregation of duties should be implemented throughout the finance department. There should be proper segregation of duties to ensure that no one person has the ability to initiate, authorize and record financial transactions.

Condition: A single member of management has the ability to record adjusting journal entries, authorize and initiate payments, and perform reconciliations.

Management Response and Planned Corrective Actions Criteria: Management agrees with this finding and has engaged K12 Accounting to assist in the processing of financial information and transactions throughout the year and expects this resource will be sufficient to implement this control.

Responsibility for Corrective Action: Jackie Crabtree, Superintendent

Anticipated Completion Date: Springs, 2024

STATE COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON COLORADO SCHOOL
DISTRICT/BOCES AUDITOR'S INTEGRITY REPORT**

To the Board of Education
Custer County School District Number C-1

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Custer County School District Number C-1, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Custer County School District Number C-1's basic financial statements as listed in the table of contents. Our report thereon, dated February 2, 2024, expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Custer County School District Number C-1's basic financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is 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 *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company, Inc.

Colorado Springs, Colorado
February 2, 2024



Colorado Department of Education

Auditors Integrity Report

District: 0860 - Custer County School District C-1

Fiscal Year 2022-23

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-679 (6880*) Endi
Governmental						
10 General Fund	3,566,733		6,009,165			5,423,296
18 Risk Mgmt Sub-Fund of General Fund	45,092		-45,092			0
19 Colorado Preschool Program Fund	0		0			0
Sub- Total	3,611,826		5,964,073			5,423,296
11 Charter School Fund	0		0			0
20,26-29 Special Revenue Fund	0		0			0
06 Supplemental Cap Const, Tech, Main. Fund	0		0			0
07 Total Program Reserve Fund	0		0			0
21 Food Service Spec Revenue Fund	22,226		183,423			199,129
22 Govt Designated-Purpose Grants Fund	0		0			0
23 Pupil Activity Special Revenue Fund	158,961		138,356			114,481
25 Transportation Fund	0		0			0
31 Bond Redemption Fund	920,261		629,555			594,925
39 Certificate of Participation (COP) Debt Service Fund	0		0			0
41 Building Fund	301,686		5,047			191,072
42 Special Building Fund	0		0			0
43 Capital Reserve Capital Projects Fund	0		214,079			161,250
46 Supplemental Cap Const, Tech, Main Fund	0		0			0
Totals	5,014,960		7,134,533			6,684,153
Proprietary						
50 Other Enterprise Funds	0		0			0
64 (63) Risk-Related Activity Fund	0		0			0
60,65-69 Other Internal Service Funds	0		0			0
Totals	0		0			0

District	October 1, 2022		%		Buy In	FY 24 Operating Billing	Dec. 1, 2022 SPED Pupil Count	%	FY 24 SPED Billing		Grand Total FY 24	
	Funded Pupil Count								Billing	%	District Billing	NWEA
Aguilar	112	\$ 4,543.67	2.61%	\$ 10,000.00	=	\$ 14,543.67	30	4.81%	\$ 17,256.59	\$ 31,800.26	\$ 1,860.50	\$ 33,660.76
Branson	449	\$ 18,215.26	10.45%	\$ 10,000.00	=	\$ 28,215.26	31	4.97%	\$ 17,831.81	\$ 46,047.07	\$ 5,658.50	\$ 51,705.57
Cotopaxi	199.4	\$ 8,089.36	4.64%	\$ 10,000.00	=	\$ 18,089.36	23	3.69%	\$ 13,230.05	\$ 31,319.41	\$ 3,025.00	\$ 34,344.41
Crowley County	425.5	\$ 17,261.90	9.91%	\$ 10,000.00	=	\$ 27,261.90	55	8.81%	\$ 31,637.08	\$ 58,898.98	\$ 3,859.00	\$ 62,757.98
Custer County	348.1	\$ 14,121.90	8.10%	\$ 10,000.00	=	\$ 24,121.90	50	8.01%	\$ 28,760.98	\$ 52,882.88	\$ 4,677.00	\$ 57,559.88
Fowler	375	\$ 15,213.19	8.73%	\$ 10,000.00	=	\$ 25,213.19	37	5.93%	\$ 21,283.12	\$ 46,496.32	\$ 4,978.50	\$ 51,474.82
Hoehne	340.8	\$ 13,825.75	7.93%	\$ 10,000.00	=	\$ 23,825.75	39	6.25%	\$ 22,433.56	\$ 46,259.31	\$ 3,940.50	\$ 50,199.81
Huerfano	508.6	\$ 20,633.15	11.84%	\$ 10,000.00	=	\$ 30,633.15	86	13.78%	\$ 49,468.88	\$ 80,102.03	\$ 6,419.50	\$ 86,521.53
LaVeta	231.5	\$ 9,391.61	5.39%	\$ 10,000.00	=	\$ 19,391.61	35	5.61%	\$ 20,132.68	\$ 39,524.30	\$ 2,635.00	\$ 42,159.30
Manzanola	163	\$ 6,612.67	3.79%	\$ 10,000.00	=	\$ 16,612.67	19	3.04%	\$ 10,929.17	\$ 27,541.84	\$ 2,618.00	\$ 30,159.84
Primero	244	\$ 9,898.72	5.68%	\$ 10,000.00	=	\$ 19,898.72	43	6.89%	\$ 24,734.44	\$ 44,633.16	\$ 3,781.00	\$ 48,414.16
Trinidad	898.5	\$ 36,450.81	20.92%	\$ 10,000.00	=	\$ 46,450.81	176	28.21%	\$ 101,238.64	\$ 147,689.45	\$ 12,542.00	\$ 160,231.45
Total	4295.4	\$ 174,258.00	100.00%	\$ 120,000.00	=	\$ 294,258.00	624	100.00%	\$ 358,937.00	\$ 653,195.00	\$ 55,994.50	\$ 709,189.50

INVOICE

DATE

February 14, 2024

INVOICE NO

2024-021424.5.1

South Central BOCES

PO BOX 9103

Pueblo, CO 81008

INVOICE TO

Custer County School District

C-1

709 Main St

PO BOX 730

Westcliffe, CO 81252

2022-2023

PAYMENT TERMS

DUE DATE

DUE UPON RECEIPT

QUANTITY

DESCRIPTION

UNIT PRICE

LINE TOTAL

PAST DUE

Membership 2022-2023

Operating:\$22,274/SPED\$29,42

7
Payment Received:

\$51,701.00

Subtotal	\$51,701.00
Payment Received	.00
Total Due	\$51,701.00

INVOICE

DATE

February 14, 2024

INVOICE NO

2024-021424.5

South Central BOCES

PO BOX 9103

Pueblo, CO 81008

INVOICE TO

Custer County School District

C-1

709 Main St.

PO BOX 730

Westcliffe, CO 81252

2023-2024

PAYMENT TERMS

DUE DATE

Due on Receipt

QUANTITY

DESCRIPTION

UNIT PRICE

LINE TOTAL

Membership 2023-2024

\$52,882.88

**Operating-\$24,121.90/Sped-
\$28,760.98**

NWEA FY24

\$4,677.00

Payment Received:

Subtotal	\$57,559.88
Payment Received	.00
Total Due	\$57,559.88

**COOPERATIVE AGREEMENT
CONCURRENT ENROLLMENT PROGRAMS ACT
AND ACCELERATING STUDENTS THROUGH CONCURRENT ENROLLMENT**

THIS COOPERATIVE AGREEMENT (Agreement) is by and between the State of Colorado, Department of Higher Education, by the State Board for Community Colleges and Occupational Education (SBCCOE), for the use and benefit of Pueblo Community College (College or State) and _____ (Local Education Provider or Contractor) pursuant to the Concurrent Enrollment Programs Act, Sections 22-35-101 to 112, C.R.S. (Act), which includes the Concurrent Enrollment (CE) and Accelerating Students through Concurrent Enrollment (ASCENT) Programs. College and Local Education Provider shall individually be referred to as the "Party" or collectively be referred to as "Parties".

The Act provides options for high school students to enroll in courses offered by the College. The Parties have decided to establish a CE Program and an ASCENT Program pursuant to the Act and therefore enter into this Agreement.

A. CONCURRENT ENROLLMENT (CE) PROGRAM:

1. Eligibility

Students who wish to enroll in the CE Program must be enrolled in the Local Education Provider and must be in the ninth (9th) grade or higher, must be less than twenty-one (21) years old and must meet the College's requirements for each course.

2. Enrollment

This Agreement covers only postsecondary courses and developmental education courses offered by the College, in which high school students will be permitted to enroll pursuant to the CE Program. The College agrees to enroll Local Education Provider students in courses offered by the College as follows:

- a. The courses offered by the College must qualify as developmental education credit or academic credit and meet one of the following requirements:
 - i. Apply toward completion of developmental education courses,
 - ii. Apply toward earning a certificate or degree awarded through an approved postsecondary career and technical education program,
 - iii. Be approved by the Department of Higher Education for transfer from a two-year institution to a four-year institution in satisfaction of prerequisite courses for a specific major,
 - iv. Be approved for statewide transfer pursuant to C.R.S. 23-1-125, OR
 - v. Be part of a statewide degree transfer agreement pursuant to C.R.S. 23-1-108(7)(a).
- b. Students enrolled in the 12th grade who do not satisfy the minimum prerequisites for postsecondary courses may enroll in College developmental education courses through the CE Program.
- c. The Parties will establish the amount and transferability of academic credit to be granted for course work under this Agreement, and that information will be published and made available to students enrolling in the CE Program.

3. Credit

Students who are accepted in the CE Program shall receive postsecondary credit toward a degree or certificate or completion of a developmental education course and credit toward high school graduation as follows:

- a. Students shall not concurrently enroll in developmental education courses unless they are enrolled in the 12th grade or are otherwise permitted to do so in accordance with the Act.
- b. Students who have not satisfied the minimum requirements for graduation established by the Local Education Provider by the end of their 12th grade year and are therefore retained by the Local Education Provider, with the exception of a State-approved Early College program, may not concurrently enroll in postsecondary courses that are worth more than a total of nine (9) credit hours per academic year, including developmental education courses.
 - i. If a student is retained beyond the 12th grade, he or she may not concurrently enroll in more than six (6) credit hours per academic semester if he or she is registered as a full-time pupil of the Local Education Provider.
 - ii. If a student is retained beyond the 12th grade, he or she may not concurrently enroll in more than three (3) credit hours per academic semester if he or she is registered as a part-time pupil of the Local Education Provider.
- c. Unless otherwise restricted, students are not limited in the number of credit hours in which they concurrently enroll.

B. ASCENT PROGRAM:

1. Eligibility

Students who wish to enroll in the ASCENT Program must have completed or be set to complete nine (9) credit hours of transcribed credit-bearing, college-level course work* prior to the completion of the 12th grade year (remedial/development education courses do not qualify as part of the 9 required credits); be identified as an ASCENT program candidate on an Academic Plan recorded within the Local Education Provider; be less than twenty-one (21) years old; be college ready and not in need of developmental education coursework in accordance with the pathway in which the student enrolls; and meet the College's requirements for each course.

*These do not include International Baccalaureate (IB), College Level Education Program (CLEP), prior learning, or experiential courses, unless these exams/experiences have been converted to transcribed credits on an institution of higher education transcript. See ASCENT Q&A for accepted Advanced Placement (AP) courses.

2. Enrollment

This Section covers only postsecondary courses offered by the College, in which high school students will be permitted to enroll pursuant to the ASCENT Program. The College agrees to enroll Local Education Provider students in courses offered by the College as follows:

- a. The courses offered by the College must be applicable to earning a degree or certificate.

- b. Students may not enroll in College developmental education courses through the ASCENT Program.

3. Credit

Students who are accepted in the ASCENT Program shall receive postsecondary credit toward a degree or certificate and credit toward high school graduation as allowable by the Colorado Department of Education.

**C. GENERAL PROVISIONS
APPLICABLE TO CONCURRENT ENROLLMENT AND ASCENT**

1. The College has the right to deny student enrollment based on space availability and College admission requirements.
2. Students enrolled in College courses through the CE and ASCENT Programs are subject to the academic and disciplinary rules of the College's Student Code of Conduct and must adhere to all College policies and procedures. Any violations of the Student Code of Conduct are subject to disciplinary proceedings and sanctions.
3. The College has the right to discontinue a student's enrollment based on a determination that the student does not have sufficient skills or abilities to continue in the course selected. In such case, the College will notify the Local Education Provider.
4. Students who wish to request disability accommodations as provided in the Americans with Disabilities Act of 1990 (ADA)/Section 504 of the Rehabilitation Act should be encouraged to contact the College's disability services office. Students who otherwise receive accommodations under IDEA might not receive the same accommodations in concurrent enrollment courses. Learn more from the CDE's Office of Special Education Technical Assistance document: Concurrent Enrollment for Students with Disabilities. Students who otherwise receive accommodations under IDEA must meet ADA/Section 504 requirements for concurrent enrollment courses.
5. The College is responsible for the course content, course prerequisites and quality of instruction.
6. Students may participate in interscholastic high school activities as students of the Local Education Provider, including but not limited to athletics. With regard to College activities, qualified students may participate in College activities but are not eligible for NCAA or NJCAA athletic activities.
7. The Local Education Provider will provide a copy of this Agreement to the Colorado Department of Education. The College will provide a copy of this Agreement to the Colorado Department of Higher Education.
8. The Local Education Provider and/or College shall establish an academic program of study for each student enrolled through the CE or ASCENT Programs pursuant to the provisions of Section 22-35-104(6)(b)(IV), C.R.S., which shall include (1) an academic plan of study that describes all of the courses that the student intends to complete to satisfy his or her remaining requirements for graduation from the Local Education Provider (Academic Plan), and (2) a plan by which the Local Education Provider shall make available to the student ongoing counseling and career planning.
9. The Parties will comply with all applicable non-discrimination laws, including but not limited to Title IX of the Education Amendments 1972 (Title IX). The Parties will keep each other informed of discrimination claims raised against each other and agree to collaborate and cooperate in

investigation of such claims. Jurisdiction over discrimination claims will be determined in consultation with appropriate officials at each institution.

10. Registration

- a. All students shall apply for admissions, enroll and register as College students in accordance with College's admissions and registration requirements and processes. This process includes completing the application for the College Opportunity Fund (COF) and ensuring that this is successfully connected to the student's College account.
- b. Local Education Provider should enroll students in College courses that pertain to the degree or certificate program indicated on their Academic Plan.
- c. Academic advising and career planning will be available to students at both the College and the Local Education Provider.
- d. All students shall complete the Concurrent Enrollment Agreement and Registration forms and submit to the Local Education Provider with all required signatures by the established enrollment deadline or the student will not be enrolled and earn credit at the College. College may request these forms from the Local Education Provider at any time.

11. Student's Uniquely Identifying Student Number

The Local Education Provider shall provide the College with each student's uniquely identifying student number (SASID) which will be used to authorize COF stipend payments to the College on behalf of the enrolled student.

12. FTE Status and Pupil Enrollment

The College shall include the students in determining the number of student FTEs pursuant to Title 23, C.R.S. The Local Education Provider shall include the students in its pupil enrollment pursuant to the provisions of Section 22-54-103(10), C.R.S.

13. Student Records

- a. The Parties shall comply with applicable federal and state laws and regulations in their collection and use of Personally Identifiable Information from Student Education Records and Student Financial Information, including, but not limited to, the Family Education Rights and Privacy Act of 1974 ("FERPA") and the Gramm-Leach-Bliley Act ("GLBA"). "Personally Identifiable Information" ("PII") includes, but is not limited to, the student's name, the name of the student's parent or other family members, the address of the student or student's family, a personal identifier (such as the student's social security number, student number, or biometric record), academic records, or other indirect identifiers (such as the student's date of birth, place of birth, and mother's maiden name), other information that, alone or in combination, is linked or linkable to a specific student that would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty, or information requested by a person who the educational agency or institution reasonably believes knows the identity of the student to whom the education record relates.
- b. Local Education Provider may provide PII for students who intend or seek to enroll in the College, provided the Local Education Provider has a statement in its annual notification of rights that it forwards education records in such circumstances, or the Local Education

Provider has made a reasonable attempt to notify the student in advance of making the disclosure, unless the student has initiated the disclosure. In addition, the Parties acknowledge that for the purpose of this Agreement each will be designated as a "school official" of the other, with "legitimate educational interests" in the Student Education Records, as those terms have been defined under FERPA and its implementing regulations, and the Parties agree to abide by the limitations and requirements imposed on school officials.

- c. The Parties will disclose PII only for the purpose of fulfilling their duties under this Agreement, and will not share such data with or disclose it to any third party except as provided for in this Agreement, required by law, or authorized in writing by both Parties.
- d. The Parties shall use reasonable efforts to implement appropriate reasonable physical, administrative and technical safeguards to prevent use or disclosure of data not authorized by this Agreement. Such measures will be no less protective than those used to secure the data recipient's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved.
- e. If a Party becomes aware of an Incident as defined in this paragraph, misuse of PII, or unauthorized disclosure involving any PII, it shall notify the other Party and cooperate with the other Party regarding recovery, remediation, and the necessity to involve law enforcement, if any. "Incident" means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access loss, disclosure, modification, disruption, or destruction of any PII. A Party may terminate this Agreement for the other Party's failure to produce a remediation plan to reduce the risk of incurring a similar type of Incident in the future. Unless a Party can establish that the Party or any of its Subcontractors is not the cause or source of the Incident, the Party shall be responsible for the cost of notifying each person whose personal information may have been compromised by the Incident.
- f. The Parties will return or securely destroy educational records within a reasonable time upon completion of this Agreement, in accordance with the provisions of FERPA. "Securely destroy" means taking actions that render data written on media unrecoverable by both ordinary and extraordinary means.
- g. The data provider shall maintain ownership of the data. The data recipient shall not retain any right, title or interest in any of the data furnished by the data provider.
- h. The College is neither a Local Education Provider nor School Service Contract Provider for purposes of the Colorado Student Data Privacy Act, CRS 22-16-101, et seq.

14. Independent Contractor

THE LOCAL EDUCATION PROVIDER AND THE COLLEGE SHALL PERFORM THEIR DUTIES HEREUNDER AS INDEPENDENT CONTRACTORS AND NOT AS EMPLOYEES OF THE OTHER PARTY. NEITHER PARTY NOR THEIR AGENTS OR EMPLOYEES SHALL BE DEEMED TO BE AN AGENT OR EMPLOYEE OF THE OTHER PARTY. THE PARTIES SHALL PAY WHEN DUE ALL REQUIRED EMPLOYMENT TAXES AND INCOME TAX AND LOCAL HEAD TAX ON ANY MONEYS PAID PURSUANT TO THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THEY AND THEIR EMPLOYEES ARE NOT ENTITLED TO UNEMPLOYMENT INSURANCE BENEFITS UNLESS THEY OR A THIRD PARTY PROVIDES SUCH COVERAGE AND THAT THE OTHER PARTY DOES NOT PAY FOR OR OTHERWISE PROVIDE SUCH COVERAGE. THE PARTIES SHALL HAVE NO AUTHORIZATION, EXPRESS

OR IMPLIED, TO BIND EACH OTHER TO ANY AGREEMENT, LIABILITY, OR UNDERSTANDING EXCEPT AS EXPRESSLY SET FORTH HEREIN.

15. Use of the Local Education Provider's Facilities and Instructional Personnel

- a. If College courses are taught at the Local Education Provider's facilities, the Local Education Provider shall provide adequate classrooms and furnishings to facilitate teaching of courses. The Parties shall mutually agree upon days and times of the course offerings. Space leased by the College is not a Local Educational Provider site.
- b. The Local Education Provider shall provide all instructional supplies and equipment necessary to facilitate teaching of courses that take place at the Local Education Provider's facilities unless otherwise arranged and agreed to in writing by the College prior to the start date of the course.
- c. College approval is required for development and classroom delivery of all post-secondary courses that occur at the Local Education Provider's facilities.
- d. In certain instances, instructional personnel necessary to facilitate teaching of courses at the Local Education Provider's facilities shall be provided by and paid by the Local Education Provider. The College shall have the right to approve or reject instructional personnel provided by the Local Education Provider. The Local Education Provider shall be responsible to ensure all instructional personnel provided have the credentials required to teach their assigned courses, including Colorado Career and Technical Education credentials for CTE courses and academic credentials sufficient to meet the College's Higher Learning Commission accreditation requirements for non-CTE courses.
- e. Instructional personnel provided by the Local Education Provider shall be responsible for evaluating students and providing grades and other documentation to the College in accordance with regular College processes and deadlines.

16. Notices

Any notice or communication required or permitted to be given under this Agreement and Financial Provisions part attached hereto, shall be in writing and shall be either served personally, by fax or by e-mail, or sent by United States registered or certified mail, postage prepaid with return receipt requested, addressed to the other Party as follows:

LOCAL EDUCATION PROVIDER:

ATTN: _____
ADDRESS: _____
PHONE: _____ - _____
FAX: _____
EMAIL: _____

COLLEGE:

Pueblo Community College
Attn: Michael J. Gage
900 W. Orman Ave., SC-234
Pueblo, CO 81004
Phone: (719) 549-3011
_ Email: Michael.Gage@pueblocc.edu

17. Term

This Agreement shall become effective when the Colorado State Controller or designee (Effective Date) signs and shall continue for a period of one (1) academic year (_____), unless otherwise terminated as provided in this Agreement.

18. Termination

Either Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Party. However, if a notice to terminate is issued after the start of the College's academic term, then this Agreement, and the most current Financial Provisions Addendum will continue in effect until the conclusion of that academic term.

19. Additional Provisions

- a. This Agreement will be governed by the laws of the State of Colorado. In the event of litigation, jurisdiction and venue will be in the County or District Court, County of Denver, Colorado.
- b. This Agreement may be modified only in writing signed by the Parties.
- c. Each of the Parties shall be solely responsible for the actions or omissions of its officers, employees, and agents. Nothing in this Agreement shall be construed as a waiver of the notice requirements, defenses, immunities and limitations either Party may have under the Colorado Governmental Immunity Act (Sec. 24-10-101, C.R.S. *et. seq.*) or of any other defenses, immunities, or limitations of liability available to either of the Parties by law.
- d. This Agreement is intended as the complete integration of all understandings between the Parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever, unless embodied in a written agreement executed and approved by the Parties.

20. Financial Provisions

The Local Education Provider agrees to pay to College for students enrolled in the CE and ASCENT Programs as follows and as further detailed in the Financial Provisions Addendum attached hereto and incorporated herein by reference and any subsequent Financial Provisions Addenda issued by the College. Any changes to a Financial Provision Addenda issued by the College must be by mutual agreement of the Parties reached prior to the beginning of the College's academic term and must be signed by both Parties.

- a. **Tuition.** The Local Education Provider agrees to pay the student's current share of tuition, as approved by the State Board for Community Colleges and Occupational Education (SBCCOE). The College shall charge the Local Education Provider at the SBCCOE-approved tuition rates outlined in the Financial Provisions Addendum. The tuition rates for future years will be determined annually by the SBCCOE.

The College shall charge each concurrently enrolled student or his or her parent or legal guardian the additional College Opportunity Fund (COF) stipend set per credit hour if the student does not successfully apply for COF and have it successfully applied to their student account. The COF stipend is annually set by the Colorado General Assembly. In the event that students do not successfully apply for COF and have it successfully applied to their student account, the College shall charge the student or his or her parent or legal guardian the additional COF stipend per credit hour greater than the student share of tuition for these courses.

The Local Education Provider agrees to pay the student's share of tuition for all students who withdraw from College courses, even if that student has withdrawn from the Local Education Provider.

If the student or his or her parent or legal guardian does not remit timely payment to College, the student and/or his or her parent will be subject to collections.

The College will publish the tuition rates and the set COF stipend prior to the start of each academic year.

- b. **Instructional Services, Costs and Invoicing.** When courses are taught at the Local Education Provider's site, the College will return a portion of current tuition for each verified student in accordance with and at the rates set forth in the most current Financial Provisions Addendum. The portion of tuition returned will vary based on cost factors, including but not limited to whether the course is taught by College instructional personnel or Local Education Provider instructional personnel. Students shall be verified in accordance with the invoicing procedures set forth in Financial Provisions Addendum.
- c. **Fees.** Pursuant to Section 22-35-105(3)(b), C.R.S., the College may charge each concurrently enrolled student or his or her parent or legal guardian any and all College specific fees or any Colorado Community College System-wide fee. Colleges shall not charge such fees to the Local Education Provider unless the Local Education Provider voluntarily agrees to pay for fees.

Student fees will not be charged for courses offered at the Local Educational Provider's site. Other course specific fees may apply.

- d. **Textbooks and Course Materials.** Students must have textbooks, digital content, and course materials that have been approved by the College. The Local Education Provider will determine whether the Local Education Provider or the students will purchase the textbooks, digital content, and course materials. The Local Education Provider may voluntarily agree to pay the College for textbooks, digital content, and course materials. The College will not be responsible for providing textbooks, digital content, and course materials.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-3)

These Special Provisions apply to all contracts except where noted in italics.

A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then this Contract shall not be valid until it has been approved by the State's Chief Information Officer or designee.

B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. GOVERNMENTAL IMMUNITY.

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, et seq. C.R.S. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

D. INDEPENDENT CONTRACTOR

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. **Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.**

E. COMPLIANCE WITH LAW.

Contractor shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

F. CHOICE OF LAW, JURISDICTION, AND VENUE.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

G. PROHIBITED TERMS.

Any term included in this Contract that requires the State to indemnify or hold Contractor harmless; requires the State to agree to binding arbitration; limits Contractor's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Contract shall be construed as a waiver of any provision of §24-106-109 C.R.S.

H. SOFTWARE PIRACY PROHIBITION.

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

J. VENDOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.

[Not applicable to intergovernmental agreements] Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (i) unpaid child support debts or child support arrearages; (ii) unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; (iii) unpaid loans due to the Student Loan Division of the Department of Higher Education; (iv) amounts required to be paid to the Unemployment Compensation Fund; and (v) other unpaid debts owing to the State as a result of final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor by deduction from subsequent payments under

this Contract, deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

K. PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, et seq., C.R.S.

[Not applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services] Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor **(i)** shall not use E-Verify Program or the program procedures of the Colorado Department of Labor and Employment (“Department Program”) to undertake pre-employment screening of job applicants while this Contract is being performed, **(ii)** shall notify the Subcontractor and the contracting State agency or institution of higher education within 3 days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, **(iii)** shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within 3 days of receiving the notice, and **(iv)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or §§8-17.5-101, et seq., C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

L. PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, et seq., C.R.S.

Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that Contractor **(i)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(ii)** shall comply with the provisions of §§24-76.5-101, et seq., C.R.S., and **(iii)** has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Contract.

THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT

Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the College is relying on their representations to that effect and accept personal responsibility for any and all damages the College may incur for any errors in such representation.

LOCAL EDUCATION PROVIDER:

STATE OF COLORADO:

JARED S. POLIS, GOVERNOR

Department of Higher Education, by the State Board for Community Colleges and Occupational Education, for the use and benefit of

Legal Name of Contracting Entity

College Name

Signature of Authorized Officer

By:

Print Name

Date

Date

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

**STATE CONTROLLER
ROBERT JAROS, CPA, MBA, JD**

By: _____

Date: _____

Financial Provisions Addendum

**FINANCIAL PROVISIONS FOR THE COOPERATIVE AGREEMENT
CONCURRENT ENROLLMENT PROGRAMS ACT**

1. Tuition

The Local Education Provider agrees to pay one hundred percent (100%) of the student's current share of tuition, as approved by the SBCCOE. The College shall charge the school district at the Resident "on-campus" and Resident "on-line" tuition rates depending on what the student registers for. The tuition rates for future years will be determined annually by the SBCCOE.

The College shall charge each concurrently enrolled student or his or her parent or legal guardian the additional College Opportunity Fund (COF) stipend set per credit hour if the student does not successfully apply for COF and have it successfully applied to their student account. The COF stipend is annually set by the Colorado General Assembly.

The Local Education Provider agrees to pay one hundred percent (100%) of the student's share of tuition for all students who withdraw from College courses, even if that student has withdrawn from the Local Education Provider. In the event that withdrawn students do not successfully apply for COF and have it successfully applied to their student account, the College shall charge the student or his or her parent or legal guardian the additional COF stipend set per credit hour greater than the student share of tuition for these courses.

When a student attends class on the College campus or site, the Local Education Provider agrees to pay one hundred percent (100%) of the student's share of tuition. In the event that students do not successfully apply for COF and have it successfully applied to their student account, the College shall charge the student or his or her parent or legal guardian the additional COF stipend per credit hour greater than the student share of tuition for these courses.

College will provide the Local Education Provider with the tuition rates and the set COF stipend prior to the start of each academic year.

Additionally, if the student or his or her parent or legal guardian does not remit timely payment to College, he or she will be subject to collections.

2. Faculty/Instructor Cost

When a qualified high school instructor teaches on behalf of the College at the Local Education Provider's site, the College will return one hundred four percent (102%) of the student share of tuition to the Local Education Provider. For each academic year thereafter, the College retains the right to modify this percentage of return.

When a College faculty member is required to teach on behalf of the College at the Local Education Provider's site, the College will return fifty percent (50%) of the student share of tuition to the Local Education Provider minus faculty costs. For each academic year thereafter, the College retains the right to modify this percentage of return.

3. Fees

Pursuant to Section 22-35-105(3)(b), C.R.S., the College may charge each concurrently enrolled student or his or her parent or legal guardian any and all College specific fees or any Colorado Community College System wide fee. Colleges shall not charge such fees to the Local Education Provider unless the Local Education Provider voluntarily agrees to pay for fees. In those circumstances, the Local Education Provider shall submit its authorization in writing to the College.

The College agrees to waive the following fees for high-school based courses: College Center, Parking, Student Activities, Health Clinic, Fitness Center and Student Life Facility fees.

4. Invoicing Procedures

Each semester, the College will submit an invoice for the net amount of tuition due for all of the Local Education Provider's students, calculated in accordance with the specifications above, within forty-five (45) days after the College's census date.

The Local Education Provider will pay the College within thirty (30) days from the date of the invoice.

5. Textbooks and Course Materials

Students must have textbooks and course materials that have been approved by the College. The Local Education Provider will determine whether the Local Education Provider or the students will purchase the textbooks and course materials. The College will not be responsible for providing textbooks and course materials.

SPECIAL PROVISIONS

These Special Provisions apply to all contracts except where noted in *italics*.

1. **CONTROLLER'S APPROVAL. CRS §24-30-202(1).** This contract shall not be valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY. CRS §24-30-202(5.5).** Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.
9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

10. **VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.
11. **PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
12. **PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

BILLING PROVISIONS

Pueblo Community College (the College) offers to Local Education Providers (LEP) various billing/payment options for the courses of a concurrent enrollment student. We want to ensure that the billing process here at Pueblo Community College is as transparent as possible to all parties involved. Below are the contract types that we use for concurrent enrollment purposes. **The LEP will select which contract is desired per student Program Type, as designated on the student's approved Concurrent Enrollment Registration Form.**

Program Type

Full-Time (GT/CTE)	Student is enrolled in 12 or more credit hours in one semester. GT Pathways OR vocational/technical (CTE) course emphasis
Part-Time GT	Student is enrolled in 11 or fewer credit hours in one semester. GT Pathways course emphasis
Part-Time CTE	Student is enrolled in up to 10 credit hours in one semester. Vocational and technical course emphasis

Tuition and Fees

Contract 2: Classes take place online or at a Pueblo Community College Campus	LEP agrees to pay 100% of the tuition for ALL students' approved Concurrent Enrollment/ASCENT classes.
	LEP agrees to pay 100% of the fees for ALL students' approved Concurrent Enrollment/ASCENT classes.
Contract 3: Classes take place online or at a Pueblo Community College Campus	LEP agrees to pay 100% of the tuition for ALL students' approved Concurrent Enrollment/ASCENT classes.
	LEP does not agree to pay associated fees for ANY student; the student will be billed for any applicable course fees, including any applicable digital content fees.
Contract 4: (50% Reinvestment) Classes are held at the high school with a PCC instructor. Automatic if criteria are met.	LEP agrees to pay 100% of the tuition for ALL students' approved Concurrent Enrollment/ASCENT classes. The College will return 50% of the student share of tuition to the LEP.
	LEP agrees to pay applicable course-specific fees and the registration fee. Campus/site fees are not charged.
Contract 5: (102% Reinvestment) Classes are held at the high school with a non-PCC instructor. Automatic if criteria are met.	LEP agrees to pay 100% of the tuition for ALL students' approved Concurrent Enrollment/ASCENT classes. The College will return 102% of the student share of tuition to the LEP.
	LEP agrees to pay applicable course-specific fees and the registration fee. Campus/site fees are not charged.

Please note that student rosters from classes held at the high school (UHS) must be finalized and all changes reported no later than 30 days after the end of the term. For classes held at PCC, students must adhere to the drop/withdrawal dates as posted in the college catalog.

All students included on the initial paperwork will be billed to the district per this document. If a student withdraws within the semester, the student will still be billed to the district and the district will be responsible for working with the student for repayment.

Textbooks

Textbook Option 1	LEP agrees to pay for textbooks, including digital content fees, for students' approved Concurrent Enrollment/ASCENT classes.
Textbook Option 2	LEP does not agree to pay for textbooks, including digital content fees, for students' approved Concurrent Enrollment/ASCENT classes; student will be responsible for all textbook expenses.
Textbook Option 3	LEP agrees to pay for textbooks for only select LEP APPROVED students. In such cases, the LEP must provide in writing the names of approved students to PCC concurrent enrollment staff. Students without approval from the LEP will be responsible for purchasing their own textbooks.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK

Billing Process Selection

The College asks that the LEP clearly define what billing provisions are selected by selecting the options desired regarding tuition & fees and textbooks during the academic year.

Which programs will be offered by
during the academic year? (Circle all that apply.)

Concurrent Enrollment (CE)

ASCENT

TREP

Concurrent Enrollment (CE)

Guaranteed Transfer Students

Full-Time GT | Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

Full-Time GT | Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

Part-Time GT | Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

Part-Time GT | Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

Career & Technical Education (CTE) Students

Full-Time CTE | Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

Full-Time CTE | Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

Part-Time CTE | Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

Part-Time CTE | Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

ASCENT

ASCENT Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

ASCENT Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

Is there a maximum dollar amount the district will pay for ASCENT students?

Yes

No

Please indicate the maximum dollar amount per ASCENT student.

TREP

TREP Tuition & Fees Election

Contract 2: LEP pays tuition and fees

Contract 3: LEP pays tuition only

TREP Textbook Election

Option 1: LEP pays for textbooks

Option 2: LEP does not pay for textbooks

Is there a maximum dollar amount the district will pay for TREP students?

Yes

No

Please indicate the maximum dollar amount per TREP student.

By signing below, the district agrees to the above contract types and billing protocols. **No changes will be honored outside of this agreement.** If adjustments are needed, please contact Chase Watts at (719) 549-3011 or michael.gage@pueblocc.edu

Legal Name of Contracting Entity

Signature of Authorized Officer

Print Name

Date

January 15, 2024

Dear Principal Benesch,

This letter is to serve as notice that I will not be returning for the 2024-2025 school year. I will be resigning at the end of this school year. It is time to move on to other adventures and ways to serve.

Respectfully submitted,

Kathryn Potter

Kathryn Potter

Student Triathlon 2024 Proposal

Custer County School and Altitude Community Fitness are working together to get the **student triathlon** going again this spring. We are seeking the school board's approval to move forward in the planning process. This would be a great opportunity for all participants to receive swimming lessons from certified instructors/life guards, as well as participate in a bike ride around town and jog around our track. This cool event has been raved about by students who participated in previous years. Please consider approving the student triathlon for spring 2024.

A couple smaller details include:

- 3rd-5th grade are the participants (depending on teacher walking class over for swim lessons once a week)
- We have already have been in talks with our local law enforcement to shut down certain roads and have them monitoring crosswalks
- free t-shirt for participants
- we are looking at dates in late May that doesn't interfere with field day

Swimming

- younger ages will be a swim the length of the pool (safety: lifeguard on duty/lane lines/ropes in case they need to stop swimming)
- 4+ swim lessons from a certified instructor at Altitude Community Fitness

Biking

- We have a guy that is willing to DONATE bikes for the ride portion of the triathlon, and the students can keep the bike after the event!
- possibly a lesson or two from 1-2 retired pro cyclists

Running

- around the track (possible aid stations with granola bars and healthy snacks/adults helping all over town)

Middle School Field Trip
Service above Self
For Team Building and Bully prevention



8:00am- Board Bus at East Parking Lot

9:30am- Arrive City Administration Building
Introductions and Donuts

- What does Homelessness look like
- Deescalation role play

10:30am- Breakout Group Options (education with agencies)

- CS Fire Department HOP- Community and Public Health Division Administrator, Steve Johnson, Overview of Fire Department role in addressing homelessness with the divisions Homeless Outreach Team
- CS Police Department HOT or El Paso County Sheriff's Department- Enforcement role and Perspective on homelessness
- TSC- Overview at programs offered at local church we partner with for warming shelters
- SRM- Tour at primary Shelter in Colorado Springs
- City Administration Homelessness Response Coordinator, Crystal Karr, overview of city role in addressing homelessness
- Hope COS- Overview of History of Hope COS and services provided

11:00am- Service Options- supervised with agencies/CC deputy/School chaperone

- Street Outreach- distribute Cold Weather Gear
- Warming Shelter- serve lunch
- First United Methodist Church- Prep meals for shelter
- Hope House- Organize donations

12:30pm- meet at SkyZone for lunch and Trampoline time

**Parent permission will be required for trip

Information Technology and GT Update for BOE:

Ryan Donovan

IT- We will be looking into getting some Chromebook repair kits and start repairing our Chromebooks that have been damaged this year. They are definitely building up. We have also introduced DMARC authentication for Google and Yahoo features and email. This puts more security in place and is better for stopping spoofing and phishing. There are three tiers of security protocol that we can use. We are starting with the first tier and waiting for initial bugs to be fixed and then we will be moving forward. We are starting prep for CMAS right now. We are making sure all accommodations and testing codes are inputted properly and that we do not have similar mistakes that happened last season. We want participation to be at an all-time high!!

GT- Recently, Shelley went down to Walsenburg and did some training and brought us back a couple robotic kits for the students to put together. We have also been talking with Troy about a field trip to the aircraft museum in Pueblo. We have also been discussing a possible field trip to the Denver Museum of Art and Natural History. We want these students to have some fun this season. They have been working so hard!!

Assistant Principal:

Jackie has added me to the Safe-To-Tell site. There have been a couple reports. The admin team and officer Barr have all been working together to get to the bottom of some of the issues. One major one has revolved around a seventh grade student. As we continue on into the year we are continuing to see various behaviors. For the most part it is a lot of the same kids. We are getting to a point where we understand more about what is going on and ways to help them as much as we can. On the eligibility/class side, there have had several meetings with Sydney, Troy and myself about various classes. Our main concentration of this meeting was the Health/PE class. The two classes are separate in the gradebook, but are the same hour of the day. The issue that we are running into and seeing for eligibility purposes consists of not having as many grades in the grade book as we would like to see per class. We are continuing to meet to find the best solution for this. I am continuing to work on my principal licensure through the BOCES.

Safety Team:

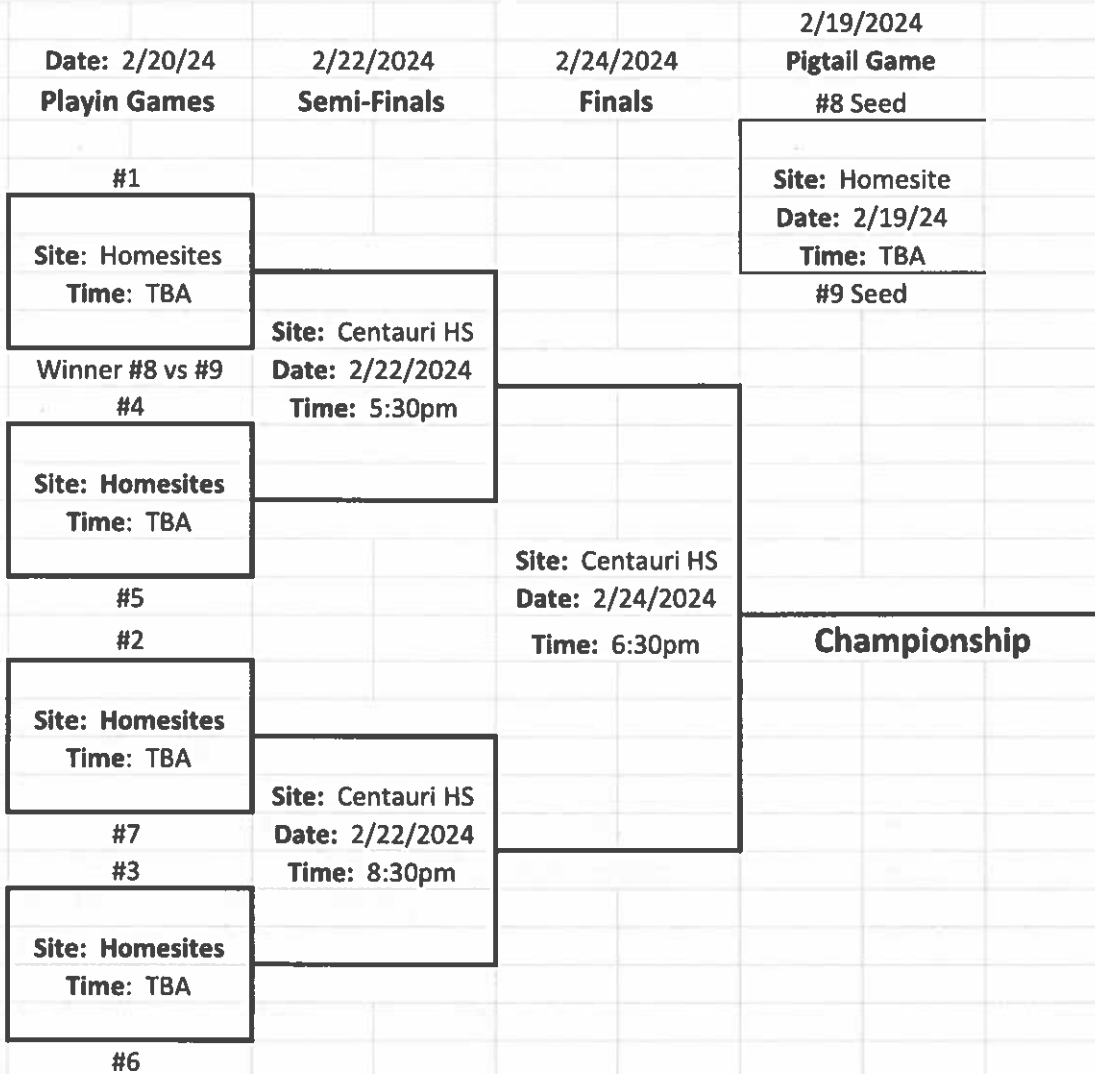
We have put together the safety team, per the boards request, of Officer Barr, Jordan Benson, Kim Goodfallow, Sherri Wright, and myself. We have had four meetings so far. Our first one was to game plan and start the process of issues seen in the school. We have several things on our list. Tuesday Feb. 13 we started to work on the updates of the Emergency Response Plan.

Athletic Director:

All regular seasons are completed. Wrestling had two athletes participate at the State tournament over the weekend, Sophomore Jason Hemsath and Freshman Corbyn Martin. We did a send off for the boys on Wednesday. We had the school and community come out to support them as they left. Officer Barr talked with the Sheriff and the Fire Chief and arranged an escort out of town. There have been a few overnight stays with the wrestling team due to the schedule of weigh ins and weather. State was another one that we had the team stay in Denver. Basketball ended their regular season on Saturday at Sargent. They found out their seed on Sunday when all the coaches got together for the district meeting. The brackets are attached. At the time of this writing (Feb. 13), our girls were sitting in ninth, and the boys were sitting in sixth. As the bracket states, the girls would be playing in the play in game on Monday in South Park at the time of this report. The boys would be traveling to Monte Vista on Tuesday for their opening game. There will be an update to all this at the meeting.

Spring sports officially start on Feb. 26. Baseball has been doing morning workouts at the bus barn at 6:00 am for anyone not in a winter sport. Both track and baseball schedules can be found on the school website. They are all subject to change due to weather.

District 1-2A Boys Tournament



Top Team on bracket is home team.

Pigtail & Playin games will be played at top seeded site

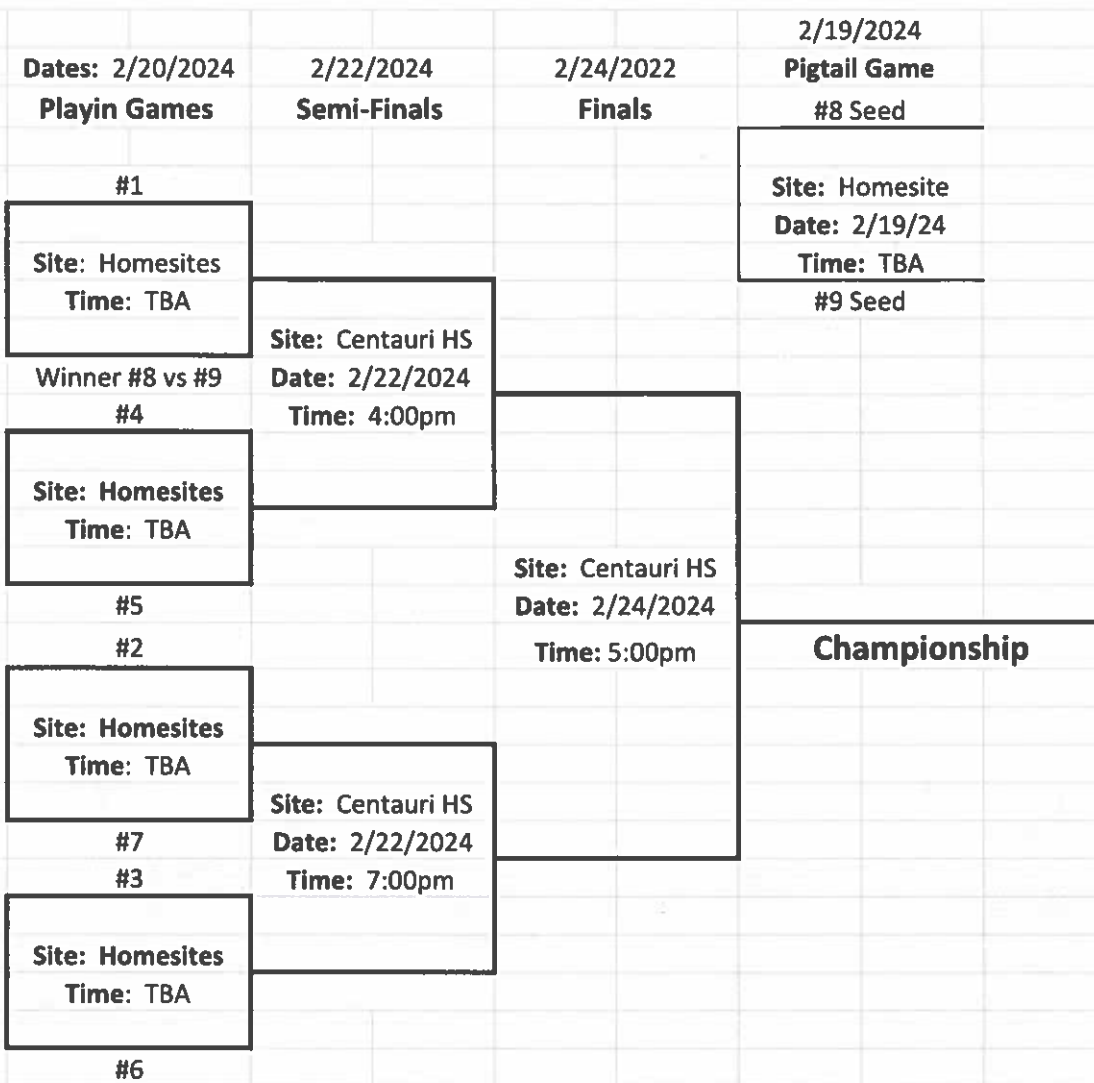
Only the District Winners will be guaranteed a spot onto the regional/state bracket. Therefore, there will only be 1 District plaque (District Champion) given out at the District Tournament.

Districts will be seeded by league standings unless all teams don't play by an act of "God" then the CHSAA Seeding Index will be used. I've listed the site below if it needs to be used.

<https://chsaanow.com/sports/2022/7/20/chsaa-postseason-seeding-index.aspx>

The CHSAA Selection & Seeding Index will run through districts for seeding into regionals/state bracket

District 1-2A Girls Tournament



Top Team on bracket is home team.

Pigtail & Playin games will be played at top seeded site

Only the District Winners will be guaranteed a spot onto the regional/state bracket. Therefore, there will only be 1 District plaque (District Champion) given out at the District Tournament.

Districts will be seeded by league standings unless all teams don't play by an act of "God" then the CHSAA Seeding Index will be used. I've listed the site below if it needs to be used.

<https://chsaanow.com/sports/2022/7/20/chsaa-postseason-seeding-index.aspx>

The CHSAA Selection & Seeding Index will run through districts for seeding into regionals/state bracket

Principal Report

February 2024



- **Senior Update**

- Troy has been meeting with seniors as we narrow in on graduation. He has held a FAFSA Night so parents and students could get help completing the FAFSA. There will be a Scholarship Night on February 28th for students and parents to receive information about local scholarship opportunities.
- For any seniors that are at risk of not graduating, we have met with those students and their parents multiple times throughout the year. Some students and parents have signed graduation contracts so they are aware of the expectations in order for their student to graduate.

- **UIP (Unified Improvement Plan)**

- Jackie, Zach, and I completed the first UIP submission to the state. We wrote the UIP using multiple sources of student data, as well as feedback we had received from the SAC/DAC Committee and Staff during the State Accreditation Frameworks hearings.
- The UIP has been sent out to all staff and provided to the SAC/DAC committee so they can provide further feedback. We are also waiting on feedback from the state. Once all feedback is gathered, we will make any necessary changes.

- **Positions Posted**

- The following positions are currently posted: MS Math, SPED Teacher, Industrial Arts Teacher, Elementary Teacher, Bus Drivers, Substitutes
- As we begin getting applications in, I will be scheduling interviews and organizing interview committees.

More on Back...

- **Summer School**

- Summer School has been funded by ESSER monies over the past three years. We are on the tail end of ESSER funds and the remaining funds were already allocated for various other things. I am looking into some other grants that could potentially fund summer school for this year and will update if I am able to find a funding source.

- **Upcoming Events:**

- February 15th- 17th - Colorado State Wrestling Tournament
- February 15th - ASVAB Testing, PTSO Meeting, MS Valentine's Dance
- February 16th - Catch-Up Friday
- February 21st - Bobcat Strong Cooking Competition
- February 23rd - SnowCats, MS District Basketball Tournament
- February 26th - 29th - Scholastic Book Fair
- February 29th - No School PreK-5th, Elementary & HS Parent-Teacher Conferences
- March 4th - SAC/DAC Meeting (Library)
- March 7th - Elementary Literacy Night
- March 8th - Staff In-Service Day

***More Info and Events on School Calendar**

Superintendent Update

Jackie Crabtree

February 20, 2024

Every Student, By Name, By Need, By Strength

Facility:

*Eugene has completed the lead testing for our middle and high school. He has sent in the tubes and will update us when he gets the results. The actual testing is due by November 2024, so Eugene is way ahead of schedule.

*Eugene and Justin installed the basketball hardware for one of the side baskets. It was no longer going up and down, but it is fixed now.

*The new doors are scheduled to be installed on February 23 weather permitting.

*The last month the maintenance team has been doing a lot of snow and ice removal.

*I made a suggestion in the fencing inquiry to have Mr. Shy get us a list of materials to complete the fencing project. Eugene and I would make sure that they are ordered. Then we would have Mr. Shy complete the work, since he is dedicating his time to finish the project. I am recommending that we move forward and get the project done as soon as possible.

Leadership:

*I completed the follow-up for the Colorado Bureau of Investigation (CBI) audit. They would like for us to have a policy outlining fingerprinting procedures. I am submitting CASB's version of GBI for this purpose on February 19 and 20.

*Donna and I completed the HR Snapshot Data Collection. We will wait to hear if they have any suggestions for us.

*Claudia, Donna, Sydney, and I will be working on the Civil Rights Data Collection for 2021-2022. Each of us have data to submit to the collection.

*Jordan and I have met with five website vendors. We hope to present our suggestion to the board at the March 12 regular board meeting.

*I shared some of the FAC suggestions for next year's teaching staff with Charlotte, and she offered to attend the meeting on February 13. We have gathered some of their ideas and are starting to see how they will fit into our May budget proposal. They also have some policy suggestions. Those would impact the budget as well. We will be taking a look at those and gathering data.

*Sydney, Zach, and I will be leaving right after the February 20 board meeting to attend the conference from February 21-22. Troy and Naomi will be holding down the fort. Eugene, Donna, and the front office secretaries will be keeping us posted as well.

Teaching and Instruction:

*The calendar committee is working on recommendations for next year's calendar. The first go-round of the survey only had 26 participants. The administration is encouraging our teachers and staff to take the quick two-question vote to get their input.

*Troy is working on the master schedule for next year. He has had a few suggestions but can't wait to get more input.

* The Sunshine Committee hosted the February birthdays and organized a Taco Bar for Valentine's Day.

*Ms. Benesch, Mr. Bissell, and I have been working on our teacher and special service provider evaluations. Probationary teachers receive two formal observations a year while non-probationary receive one. That is not to mention the informal observations that go on throughout the year.

Students:

*Our students participated in dress-up days in honor of Winterfest. Our middle school finished off the week with a Valentine's dance on February 15.

*Our sophomores, juniors, and seniors had the opportunity to take or retake the ASVAB assessment on Thursday, February 15.

*Our secondary students had an opportunity to participate in Catch Up Day on February 16. Mr. Bomgardner does a great job organizing the event and ordering food.

*Cora Kane earned 2nd Chair Flute Player for All-State Band. The competition will take place on March 7, 2024.

Transportation:

*Traci Terry received the updated quote from Rightly Doors. The initial quote included tax. She is working with Joe Rightly to get the door lift kit installation scheduled.

*Ms. Terry continues to look for an SUV replacement vehicle.

*We have one bus driver candidate who is starting his training. We will keep you posted. The other two candidates have backed out.

Technology:

*Ryan Donovan has been working with AI on a few upgrades to the tech system. There have been a few kinks but they have addressed them as soon as they become aware of them.

Community:

*Ms. Vania Nameth will be coordinating the Blood Drive at Custer County on Wednesday, February 28, 2024, from 12:30-4:30 p.m. Please schedule your visit at <https://vit.la/csgx6u>.

*Items in this report are subject to change.

Criminal History Record Information

The Board is committed to ensuring the protection of the Criminal Justice Information (CJI) and its subset of Criminal History Record Information (CHRI) until the information is purged or destroyed in accordance with applicable record retention rules.

Accordingly, this policy applies to any electronic or physical media containing Federal Bureau of Investigation (FBI) or Colorado Bureau of Investigation (CBI) CJI while being stored, accessed, or physically moved from a secure location within the district. This policy also applies to any authorized person who accesses, stores, and/or transports electronic or physical media containing criminal history record information.

Criminal Justice Information (CJI) and Criminal History Record Information (CHRI)

CJI refers to all of the FBI Criminal Justice Information Services (CJIS) provided data necessary for law enforcement and civil agencies to perform their missions including, but not limited to biometric, identity history, biographic, property, and case/incident history data.

CHRI means information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, information, or other formal criminal charges, and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, and release. The term does not include identification information such as fingerprint records if such information does not indicate the individual's involvement with the criminal justice system. CHRI is a subset of CJI and for the purposes of this document is considered interchangeable. Due to its comparatively sensitive nature, additional controls are required for the access, use, and dissemination of CHRI.

Proper access, use, and dissemination of CHRI

CHRI must only be used for an authorized purpose consistent with the purpose for which it was accessed or requested and cannot be disseminated outside the receiving departments, related agencies, or other authorized entities. Dissemination to another agency is authorized if (a) the other agency is an Authorized Recipient of such information and is being serviced by the accessing agency, or (b) the other agency is performing noncriminal justice administrative functions on behalf of the authorized recipient and the outsourcing of said functions has been approved by Colorado Bureau of Investigation (CBI) officials with applicable agreements in place.

Personnel security screening

Access to CJI and/or CHRI is restricted to authorized personnel. Authorized personnel is defined as an individual, or group of individuals, who have completed security awareness training and have been granted access to CJI data.

Security awareness training

Basic security awareness training is required within six months of initial assignment, and biennially thereafter, for all personnel with access to said confidential information.

Physical security

All CJI and CHRI information must be securely stored. The district will maintain a current list of authorized personnel. Authorized personnel will take necessary steps to prevent and protect the district from physical, logical, and electronic breaches.

Media protection

Controls must be in place to protect electronic and physical media containing CJI while at rest, stored, or actively being accessed. Electronic media includes memory devices in laptops and computers (hard drives) and any removable, transportable digital memory media, such as magnetic tape or disk, backup medium, optical disk, flash drives, external hard drives, or digital memory card. Physical media includes printed documents and imagery that contain CJI.

The district must securely store electronic and physical media within physically secure locations. The district restricts access to electronic and physical media to authorized individuals. If physical and personnel restrictions are not feasible then the data must be encrypted. When no longer usable, information and related processing items must be properly disposed of to ensure confidentiality.

Media sanitization and disposal

When no longer usable, hard drives, diskettes, tape cartridges, CDs, ribbons, hard copies, print-outs, and other similar items used to process, store, and/or transmit FBI or CBI CJI must be properly disposed of in accordance with measures established by the district.

Physical media (print-outs and other physical media) must be disposed of by one of the following methods:

1. shredding using district-issued shredders; or
2. placed in locked shredding bins for a private contractor to come on-site and shred, witnessed by district personnel throughout the entire process.

Electronic media (hard-drives, tape cartridge, CDs, printer ribbons, flash drives, printer and copier hard-drives, etc.) must be disposed of by one of the following methods:

1. Overwriting (at least 3 times) - an effective method of clearing data from magnetic media. As the name implies, overwriting uses a program to write (1s, 0s, or a combination of both) onto the location of the media where the file to be sanitized is located.
2. Degaussing - a method to magnetically erase data from magnetic media. Two types of degaussing exist: strong magnets and electric degausses. Note that common magnets (e.g., those used to hang a picture on a wall) are fairly weak and cannot effectively degauss magnetic media.
3. Destruction - a method of destroying magnetic media. As the name implies, destruction of magnetic media is to physically dismantle by methods of crushing, disassembling, etc., ensuring that the platters have been physically destroyed so that no data can be pulled.

IT systems that have been used to process, store, or transmit FBI or CBI CJI and/or sensitive and classified information must not be released from the district's control until the equipment has been sanitized and all stored information has been cleared using one of the above methods.

Account management

The district must manage information system accounts, including establishing, activating, modifying, reviewing, disabling, and removing accounts. The district must validate information systems accounts at least annually and must document the validation process.

All accounts must be reviewed at least annually by the designated CJIS point of contact or their designee to ensure that access and account privileges commensurate with job functions, need-to-know, and employment status on systems that contain CJI. The CJIS point of contact may also conduct periodic reviews.

Reporting information security events

The district must promptly report incident information to appropriate authorities to include the CBI's Information Security Officer (ISO). Information security events and weaknesses associated with information systems must be communicated in a manner allowing timely corrective action to be taken. Formal event reporting and escalation procedures must be in place. Wherever feasible, the district must employ automated mechanisms to assist in the reporting of security incidents.

All employees, contractors, and third party users must be made aware of the procedures for reporting the different types of event and weakness that might have an impact on the security of district assets and are required to report any information security events and weaknesses as quickly as possible to the designated point of contact.

Policy violation/misuse notification

Violation of this policy or misuse of CHRI by any personnel can result in significant disciplinary action, up to and including loss of access privileges, civil and criminal prosecution, and/or termination.

Likewise, violation of this policy or misuse of CHRI by any visitor can result in similar disciplinary action against the sponsoring employee, and can also result in termination of services with any associated consulting organization or prosecution in the case of criminal activity.

Adoption date: February 20, 2024

LEGAL REFS.: P.L. 92-544 (authorizes the FBI to exchange CHRI with officials of state and local governmental agencies for licensing and employment purposes)

28 C.F.R. 20.33 (b) (limited dissemination of criminal history record information)

28 C.F.R. 50.12 (b) (notification requirements regarding fingerprints)

C.R.S. [22-2-119.3](#) (6)(d) (name-based criminal history record check

definition)

C.R.S. [22-32-109.8](#) (non-licensed personnel - submittal of fingerprints and

name-based criminal history record check)

C.R.S. [22-32-109.9](#) (licensed personnel - submittal of fingerprints and name-

based criminal history record check)

C.R.S. [24-72-302](#) (definition of criminal justice information)

CROSS REFS.: [GBEB](#), Staff Conduct (and Responsibilities)

[GCE/GCF](#), Professional Staff Recruiting/Hiring

[GDE/GDF](#), Support Staff Recruiting/Hiring

Oath of Office – Joseph McCarthy, President

“I, _____ do solemnly swear that I will faithfully perform the duties of the office of school director as required by law and will support the Constitution of the United States, the Constitution of the State of Colorado, and the laws made pursuant thereto.”