

cPa DIXON, WALLER & CO., INC.

PRIMERO REORGANIZED SCHOOL

DISTRICT NUMBER 2

WESTON, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2022

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
JUNE 30, 2022

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PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
ROSTER OF SCHOOL OFFICIALS
June 30, 2022

BOARD OF EDUCATION

Bob Mattie	President
Jeremiah Harris	Vice-President
Vacant	Treasurer
Lonny Lopez	Secretary
Laura Saint	Member
Pat Mestas	Member
Sam Weaver	Member

ADMINISTRATIVE OFFICIALS

Blake Byall	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Primero Reorganized School District Number 2
Primero, Colorado 81091

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Primero Reorganized School District Number 2, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Primero Reorganized School District Number 2'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 Primero Reorganized School District Number 2, as of June 30, 2022, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Primero Reorganized School District Number 2, 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 opinion.

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 Primero Reorganized School District Number 2'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Primero Reorganized School District Number 2'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 Primero Reorganized School District Number 2'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, budgetary comparison information and pension and post employment benefits trend data 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 an opinion on the financial statements that collectively comprise the Primero Reorganized School District Number 2's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, and state required schedules 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 financial statements, other schedules, and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



November 25, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

During the 2003-04 school year a completely new procedure was established to determine the District's net position. The 2003-04 baseline data will be used to determine net increases/decreases for all future years.

Total net position:

2021-22:	\$8,517,357.00
2020-21:	\$6,010,017.00
2019-20:	\$4,015,918.00
2018-19:	\$3,043,804.00
2017-18:	\$3,017,510.00
2016-17:	\$5,973,434.00
2015-16:	\$7,633,772.00
2014-15:	\$6,953,584.00
2013-14:	\$11,212,190.00
2012-13:	\$10,404,045.00
2011-12:	\$9,772,146.00
2010-11:	\$8,854,044.00
2009-10:	\$7,928,977.00

The District was required to implement GASB 68 in 2015. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. The net pension liability recorded at June 30, 2022 was \$4,033,639.00.

The General Fund reported a fund balance of \$3,348,836 at the close of the fiscal year 2022, which was an increase of \$740,122 over the previous year's \$2,608,264. The District strives to limit the spending of its reserves; thankfully, voters passed two mill levy overrides and a bond in November 2007. But unless enrollment stabilizes and the District frugally manages its ongoing budgets, the District will eventually deplete its reserves in future years (see "Financial Analysis of the District as a Whole" below).

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is normally provided in this document. The School District's basic financial statements are comprised of three components: (1) district-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

DISTRICT-WIDE FINANCIAL STATEMENTS

The District-wide Statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of net position includes all of the governmental unit's assets, liabilities and deferred flows.

The District-wide Statements report the District's net position and how it has changed. Net position, the difference between the District's assets, liabilities and deferred flows, are one way to measure the District's financial health or position. Increases or decreases in the District's net position could indicate whether the District's financial health is improving or deteriorating. One needs to consider additional factors such as changes in the District's tax base, changes in student enrollment and the condition of the school building.

Governmental activities: Most of the District's basic services are included here, such as instruction, transportation, maintenance, operations and administration. State funding from equalization and property taxes finance most of these activities. This information is comprised of all of the Primero RE-2 School District Funds: General Fund, Preschool Fund, Capital Reserve Fund, Pupil Activity Fund, Debt Service Fund, Capital Project Fund, Food Service Fund and the Transportation Fund.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. 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 School District, like other governments, uses fund accounting to ensure and demonstrate compliance. All of the funds of the District can be divided into two categories: "governmental funds" and "proprietary funds."

Governmental Funds: Most of the District's basic services are reported in **governmental funds**, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called "modified accrual accounting," which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds: Services for which the District charges a fee are generally reported in **proprietary funds**. Proprietary funds are reported in the same way as the district-wide statements. The district has no proprietary fund types.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds. The combined statements of the non-major governmental funds are presented after the notes to the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve, over time, as a useful indicator of the District's financial position. The District's total net position on June 30, 2022 was \$8,517,357. The District's net investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, net of related debt) is \$11,037,223.

The unrestricted net position of \$(3,403,289) may be used to meet the District's ongoing financial obligations. Tabor Reserves amount to \$132,000. The District's unrestricted net position decreased \$2,421,336 from 2020-21 to 2021-21. Unassigned fund balances are \$2,905,586 and are available to meet the District's ongoing financial requirements.

The District's fund balances are stabilizing for the current fiscal period, but could eventually be depleted unless (a) pupil enrollment increases dramatically; (b) the district continues to carefully monitor its allocations, expenditures and revenue sources; and (c) the State increases funding levels for public schools. Currently, the unrestricted net position permit the District to function without having to engage in short-term borrowing, therefore maintaining a proper cash flow between payments received from the State or County.

The Board of Education asked voters to consider approving two mill levy overrides and a bond issue in November 2007 for an additional \$350,000.00 per year for the general fund, up to \$140,000 per year for a new transportation fund, and \$10.7 million for a general obligation bond. The ballot issues 3D, 3E, and 3F passed on a 2-1 margin of support. The bonds were sold at a premium (net of issue cost) generating approximately \$500,000 of revenue for the district at no additional cost to the taxpayer. The bonds were sold on a 10-year repayment schedule.

The additional override funds will help to hire, train and retain high-quality teachers; support elective course offerings, such as industrial arts and music; for alterations, improvements, equipment, furnishings, software and other long-range capital expenditures; additional technology resources; for staff training to improve instruction; and other necessary uses, including maintaining a stable unrestricted net asset account that will enable the District to have cash flows that will prevent short-term borrowing. The bond has permitted the district to address significant health and safety issues in the current school facility, including a leaking roof, mold and asbestos abatement, and an aging septic system.

The taxpayers approved a bond in 2017 by 3 votes. There is a 20 year repayment schedule.

The District selected the Neenan Company of Fort Collins as its design-build firm for the last building project. Construction began in March 2008 and as of the end of the fiscal year, construction on Phase 1 of the project was underway. Target completion for Phase 1 is September 2008; Phase 2 - December 2008; phase 1 and phase 2 have been completed and were completed on time. The staff houses and community center completed early in the 2010 year. The baseball field storage/concession stand was completed in June of 2011.

Where possible, appropriate and achievable, the District will also pursue future grant opportunities to increase funding available for instruction, special projects, and other initiatives.

Even with the voter-approved mill levy overrides, however, the District must be extremely frugal. The budget for 2013-14 and years following must also be frugal because the District needs to continue the growth of both its operational and capital reserve funds.

The greatest area of expense for the district historically over the past ten years has been on staff. Unless staff had been laid off at the end of 2013-14 for the 2014-15 school year, there would have been no more room for budget reductions. Staffing will continue to be the largest source of expenditure in years to come. Staffing will have to increase, too, to accommodate the expanded and updated facility through the building project. Projected staff needs include a music teacher, a second vocational teacher, and additional help in the kitchen/food service.

Document prepared by Blake Byall, Superintendent of Schools and Eric Davies, Assistant Business Manager, and Jessica Robinson, Business Manager.

Primero RE-2 School District: Table I-Net Position

Table 1:

NET POSITION

	2021			2022		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	4,055,255	-	4,055,255	4,660,565	-	44,055,255
Capital Assets	21,931,085	-	21,931,085	21,387,223	-	21,387,223
Total Assets	25,986,340	-	25,986,340	26,047,788	-	26,047,788
DEFERRED OUTFLOW OF RESOURCES						
	1,919,096	-	1,919,096	1,136,957	-	1,136,957
LIABILITIES						
Current and Other Liabilities	421,010	-	421,010	507,717	-	507,717
Long Term Liabilities	11,859,763	-	11,859,763	11,323,425	-	11,323,425
Net Pension Liability	6,508,465	-	6,508,465	4,033,639	-	4,033,639
Total Liabilities	18,789,238	-	18,789,238	15,864,781	-	15,864,781
DEFERRED INFLOW OF RESOURCES						
	3,106,181	-	3,106,181	2,802,607	-	2,802,607
NET POSITION						
Net Investment in Capital Assets	11,161,085	-	11,161,085	11,037,223	-	11,037,223
Restricted for:						
Tabor Reserve	121,000	-	121,000	132,000	-	132,000
Debt Service	537,286	-	537,286	731,038	-	731,038
Preschool	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Food Service	15,271	-	15,271	-	-	-
Unrestricted	(5,824,625)	-	(5,824,625)	(3,403,289)	-	(3,403,289)
	<u>6,010,017</u>	<u>-</u>	<u>6,010,017</u>	<u>8,517,357</u>	<u>-</u>	<u>8,517,357</u>

Table 2:

Changes in Net Position

	2021		2022	
	Governmental Activities	Total	Governmental Activities	Total
Revenues				
Charges for Services	47,167	47,167	88,031	88,031
Operating Grants and Contributions	1,020,505	1,020,505	957,871	957,871
Capital Grants and Contributions	-	-	-	-
Property taxes	1,595,491	1,595,491	1,681,129	1,681,129
Specific Ownership Taxes	204,903	204,903	199,209	199,209
Equalization	2,495,207	2,495,207	2,765,810	2,765,810
Earnings on investments	10,551	10,551	8,293	8,293
Other Revenues	-	-	136,130	136,130
Transfers	-	-	-	-
	TOTAL REVENUES	5,373,824	5,836,473	5,836,473
Expenses				
Instructional services	2,517,493	2,517,493	2,846,184	2,846,184
Students	300,604	300,604	237,262	237,262
Instructional staff	3,679	3,679	4,448	4,448
District administration	263,673	263,673	287,349	287,349
School administration	103,938	103,938	36,150	36,150
Business	108,410	108,410	123,802	123,802
Operation and maintenance of facilities	710,870	710,870	743,624	743,624
Transportation	201,239	201,239	221,274	221,274
Central	282,812	282,812	282,249	282,249
Capital outlay	18,727	18,727	7,767	7,767
Debt Issue Cost	-	-	-	-
Interest on long-term debt	430,355	430,355	414,763	414,763
	-	-	-	-
Pension Cost	-	-	-	-
Post Employment Benefit Expense	-	-	-	-
Food service	130,498	130,498	147,024	147,024
	TOTAL EXPENSES	4,296,097	5,351,869	5,351,869
Increase (Decrease) in Net Position	1,994,098	917,963	2,507,339	2,507,339

The District's total revenue was \$6,124,206. A significant portion, 48.89%, of the revenue comes from state equalization. Property taxes account for 32.15% of the district's revenue and the remaining 18.96% comes from other federal, state and local sources. The total cost of all governmental activities was \$5,351,896. Instruction and support services (not including operations and maintenance, interest, transportation, and capital outlay) were \$3,535,195 or 66%. The expenditures did not exceed revenues in 2021-2022. The District operated in a positive budget status, two mill levy overrides passed by the voter in November 2007, has helped the District to keep this positive budget in 2021-2022. The District has continued to spend very frugally in order to try to keep the spending levels less than revenue in the General Fund. The District continues to apply for e-Rate rebates for telecommunications, saving almost \$25,000, and making cuts and reductions across the board. The District's operational reserves have been increasing steadily for the past three years. This is mainly due to increased spending monitoring and long term staff retiring replacing employees with lower scale staff members. The only way the District would significantly reduce expenditures without other external sources of revenue would be to lay-off staff. This was not a goal of the District's board of education.

The District has been successful in the passing of the two mill levy overrides resulting in increased revenue to support the current spending and increased staffing. The District has hired a Facility Manager and a Librarian, at present the facility manager is a full time position. The District needs to continue to long-range plan its' budget and to be frugal with its allocations and expenditures.

GOVERNMENTAL ACTIVITIES

The table below illustrates the total cost of the District's major services. It also shows the net cost of these services. The net cost includes all expenses for the particular service, less any revenue for the service

Primero RE-2 School District: TABLE 3-Activities 2020-2021 to 2021-2022

Table - 3 Governmental Activities by Major Function

	2021		2022	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2,517,493	1,681,324	2,846,184	2,135,690
Students	300,604	248,261	237,262	143,389
Instructional staff	3,679	3,679	4,448	4,448
District administration	263,673	263,673	287,349	283,669
School administration	103,938	103,938	36,156	35,469
Business	108,410	108,410	123,802	115,581
Operation and maintenance of facilities	710,870	680,452	743,624	709,848
Transportation	201,239	151,082	221,274	182,403
Central	282,812	282,812	282,249	280,311
Capital outlay	18,727	18,727	(7,767)	(7,767)
Debt Issue Cost	-	-	-	-
Interest on long-term debt	430,355	430,355	414,763	414,763
Pension cost	-	-	-	-
Post Employment Benefit Expense	-	-	-	-
Food service	130,498	31,913	147,024	7,344
Total	5,072,298	4,004,626	5,351,896	4,305,994

Special Revenue Funds

Special Revenue Funds and Capital Project Funds are made up of the Food Service fund, Designated Purpose Grants, and Capital Project Funds. The Food Service program had revenues of \$154,392 in grants and expenses of \$147,024. The District's hot lunch/breakfast program is a recipient of Federal food commodities and is impacted when these commodities are not available to the District. The Food Service Fund was subsidized by the District \$0 in 2022. The District has elected to give free meals to all students in the current and future years.

Fund	Total Revenue	Total Expenditures	Inc/Dec in Fund Bal	Ending Fund Balance
Food Service	\$154,368	\$147,024	\$7,368	\$0
Designated Purpose Grants	\$238,543	\$238,543	\$0	\$0
Capital Projects	\$294	\$133,966	(\$133,672)	\$54,059

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

State equalization for the General Fund and the Colorado Preschool Project fund is based on pupil count. State equalization funding, the per pupil amount set by the Colorado Department of Education, along with local property tax and specific ownership taxes increased to an increase in per pupil funding. Those students enrolled in preschool who qualify for the Colorado Preschool Project program are funded at one-half of the per pupil rate. Now Full-day Kindergarten are funded at one-half (1.0) of the per pupil rate, respectfully, of all other students enrolled in the District, who are funded at 100% of the per pupil rate of \$13,759.41. The District was funded with a count of 214.5 and 5.5 Colorado Preschool Project, and totaling 220. This was the count as of October 1, 2021. The District has been maintaining student count, with a slight increase in funding average in the last year. Steady increasing pupil enrollment is the best way to ensure adequate funding in a school district's budget.

The District continues to maintain frugal spending habits in a effort to spend only the money that is collected in a year, however, due a additional staffing, increased expenses, and limited resources, the District was forced to consider applying for the State's short-term, interest free loan –program at the end of calendar year 2007. The District was able to get by without borrowing and did not have to cash in its' long-term general fund Certificate of Deposit due to measures passed by voters on the ballot in November 2007, the fiscal year ended in June 2008 with a better than expected reserve in the general fund balance to carry forward into 2008-2009: \$1,492,335. The carry forward Cash in Bank Balance for the 2022-2023 school year is \$3,053,335. The District needs to maintain at least a \$2.0 million operational reserve to make cash flow, payroll, and to help the District in lean times and between county and state payments.

The Board decided in February 2007 to approach voters again regarding a mill levy override and also a bond issue. The Board placed three ballot issues on the November 2007 general election, including a \$350,000 per year general fund mill levy override, up to \$140,000 per year transportation fund mill levy override, and a \$10.7 million bond issue. Fortunately, these issues passed on a 2 to 1 margin by voters. The mill levy funds impacted the budget in the 2008-2009, 2009-2010, and the 2010-2011 fiscal years. The District sold bonds in December 2007 and received these funds on December 19, 2007, which will only impact the design and construction

of building improvements, upgrades, renovations, and additions. The mill levy overrides were reflected in the 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-19, 2019-2020, 2020-2021 and 2021-2022 the budgets and audits, and the bond was seen starting in the 2007-2008 budget and audit year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District’s investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$28,711,650. The increase is due to a change in statement; including food service equipment in calculation outweighing the higher depreciation dollar amount due to the large increase in value of the building and property due to the bond passing in November 2007. The next table outlines the District’s capital assets at historical cost. Accumulated depreciation at June 30, 2022 is \$7,374,427 for a net value of \$21,387,223.

Key	Net Governmental Assets June 30, 2021	Net Governmental Assets June 30, 2022
Land and Sites	\$50,000	\$50,000
Buildings	\$27,507,719	\$27,641,685
Vehicles	\$794,503	\$794,503
Equipment	\$146,070	\$162,370
Food Service Equipment	\$113,092	\$113,092
Construction in Progress	\$0	\$0
Total Capital Assets	\$28,611,384	\$28,761,650

LONG –TERM DEBT

Voters in the Primero RE-2 School District approved an \$11.935 million bond in November 2007 for the completion of a major building project. The remaining debt is as follows:

Balance:	Beginning Balance	Added	Retired	Ending
GO Bonds Series 2017	\$10,770,000	\$0.00	\$420,000	\$10,350,000
Comp Absence	\$103,143	\$16,892	\$0.00	\$120,035
Total:	\$10,873,143	\$16,892	\$420,000	\$10,470,035

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The budget for the 2020-2021 school year will, as always, be impacted by student enrollment. The District’s enrollment is subject to the unpredictable employment situation of the highly volatile natural gas and oil, and the coal mining industry in the region. The District’s property

taxes have been impacted by the exploding gas industry as the assessed valuation of the District has increased from about \$51,000,000 in 2000 to a high of just over \$424,000,000 in 2006. The December 2021 assessed valuation was \$81,872,738. Total mill levy for 2021-2022 school year is 20.923 mills with a net valuation decreasing to \$81,872,738.

Increased health insurance, utility and fuel costs and the rising percentage the District contributes to PERA all increase the problem of keeping spending in line with anticipated revenues. The State of Colorado forecasted in September 2006 that inflation rates would decrease from 3.3% to 3.1%, thus impacting the revenue schools can expect to receive from Amendment 23. The District allocated \$132,000 to the TABOR Reserve in 2021-2022.

Primero RE-2 is committed to keeping the base salary for certified and classified employees at a level equal to or above other districts in Las Animas County, if at all possible, in order to attract and retain quality instructors and support staff. The District's goal is to monitor spending in the District and to eliminate in future years expending more than the District receives in revenue.

The District's Board of Education is in the process of analyzing program needs for the next three to five years and will prepare a long range plan for 2022-2023, 2023-2024 and 2024-2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide taxpayers, customers, prospective students and parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the monies it receives and expends. The District's Board, Administration and Staff understand that the reader's questions may not have been entirely answered by reviewing this report; therefore, the read is invited to contact the following personnel at Primero RE-2 School District office for further information.

PRIMERO RE-2 SCHOOL DISTRICT: (719) 868-2715

Samuel Weaver, Treasurer of the Board of Education	sweaver@primeroschool.com
Blake Byall, Superintendent of Schools:	bbyall@primeroschool.com
Jessica Robinson, Business Manager	jessicarobinson@primeroschool.com

BASIC FINANCIAL STATEMENTS

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	3,675,315	3,675,315
Investments	403,744	403,744
Accounts Receivable	12,956	12,956
Accrued Revenue	101,902	101,902
Property Taxes Receivable	462,000	462,000
Inventories	4,648	4,648
Capital Assets	28,761,650	28,761,650
Accumulated Depreciation	(7,374,427)	(7,374,427)
Prepays	-	-
<u>Total Assets</u>	<u>26,047,788</u>	<u>26,047,788</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	1,111,641	1,111,641
Other Post Employment Benefits	25,316	25,316
<u>Total Deferred Outflows</u>	<u>1,136,957</u>	<u>1,136,957</u>
<u>LIABILITIES</u>		
Accounts Payable	6,553	6,553
Accrued Salaries and Benefits	291,487	291,487
Compensated Absences	120,035	120,035
Unearned Grants	8,957	8,957
Accrued Interest Payable	20,704	20,704
Other Liabilities – Intergovernmental	59,981	59,981
NonCurrent Liabilities:		
GO Bonds Due Within One Year	440,000	440,000
GO Bonds Due In More Than One Year	9,910,000	9,910,000
Unamortized Bond Premium	778,276	778,276
Net Pension Liability	4,033,639	4,033,639
Net Post Employment Benefits Liability	195,149	195,149
<u>Total Liabilities</u>	<u>15,864,781</u>	<u>15,864,781</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	2,698,215	2,698,215
Other Post Employment Benefits	104,392	104,392
<u>Total Deferred Inflows</u>	<u>2,802,607</u>	<u>2,802,607</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	11,037,223	11,037,223
Restricted for:		
TABOR Reserve	132,000	132,000
Preschool	-	-
Food Service	20,385	20,385
Debt Service	731,038	731,038
Unrestricted:	(3,403,289)	(3,403,289)
<u>TOTAL NET POSITION</u>	<u>8,517,357</u>	<u>8,517,357</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Net (Expenses) Revenue and Changes in Net Position			
	Program Revenues		Primary Government	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities
<u>Expenses</u>	<u>61,025</u>	<u>649,469</u>	<u>-</u>	<u>(2,135,690)</u>
<u>FUNCTIONS</u>				
Instructional Services	2,846,184			(143,389)
Supporting Services:				
Students	237,262	93,873		(4,448)
Instructional Staff	4,448			(283,669)
District Administration	287,349	3,680		(35,469)
School Administration	36,150	681		(115,581)
Business	123,802	8,221		(709,848)
Operation & Maintenance of Facilities	743,624	6,770		(182,403)
Transportation	221,274	38,871		(280,311)
Central Support	282,249	1,938		7,344
Food Service	147,024	154,368		(7,767)
Capital Outlay	7,767			(414,763)
Interest on Long Term Debt	414,763			(4,305,994)
<u>Total Governmental Activities</u>	<u>5,351,896</u>	<u>957,871</u>	<u>-</u>	<u>(4,305,994)</u>
<u>Total School District</u>	<u>5,351,896</u>	<u>957,871</u>	<u>-</u>	<u>(4,305,994)</u>
<u>General Revenues</u>				
Property Taxes Levied for General Purposes				1,681,129
Specific Ownership Taxes				199,209
Equalization				2,765,810
Earnings on Investments				8,293
Other Revenues				136,130
Pension and OPEB Changes				2,022,762
<u>Total General Revenues and Transfers</u>				<u>6,813,333</u>
<u>Change in Net Position</u>				<u>2,507,339</u>
<u>Net Position, Beginning</u>				<u>6,010,018</u>
<u>Net Position, Ending</u>				<u>8,517,357</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General</u>	<u>Capital Project</u>	<u>Bond Redemption</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and Equivalents	2,987,465	54,059	515,978	28,800	89,013	3,675,315
Investments	403,744	-	-	-	-	403,744
Accounts Receivable	-	-	-	-	12,956	12,956
Accrued Revenue	1,432	-	-	-	100,470	101,902
Due From Other Funds	152,221	-	-	-	-	152,221
Property Taxes Receivable	165,000	-	270,000	27,000	-	462,000
Prepays	-	-	-	-	-	-
Inventories	-	-	-	-	4,648	4,648
<u>Total Assets</u>	<u>3,709,862</u>	<u>54,059</u>	<u>785,978</u>	<u>55,800</u>	<u>207,087</u>	<u>4,812,786</u>
<u>LIABILITIES</u>						
Accounts Payable	6,553	-	-	-	-	6,553
Accrued Salaries & Benefits	270,420	-	-	-	21,067	291,487
Due To Other Funds	-	-	-	54,110	98,111	152,221
Other Liabilities	59,981	-	-	-	-	59,981
Unearned Grants	3,767	-	-	-	3,500	7,267
<u>Total Liabilities</u>	<u>340,721</u>	<u>-</u>	<u>-</u>	<u>54,110</u>	<u>122,678</u>	<u>517,509</u>
<u>DEFERRED INFLOW OF RESOURCES</u>						
Property Tax	20,755	-	54,940	1,690	-	77,385
<u>FUND BALANCES</u>						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventories	-	-	-	-	4,648	4,648
Restricted:						
Emergency Reserve	132,000	-	-	-	-	132,000
Debt Service	-	-	731,038	-	-	731,038
Preschool	-	-	-	-	-	-
Food Service	-	-	-	-	20,385	20,385
Capital Outlay	-	-	-	-	-	-
Committed:						
Rental Maintenance	96,064	-	-	-	-	96,064
Capital Outlay	214,736	54,059	-	-	-	268,795
Assigned:						
Student Activities	-	-	-	-	59,376	59,376
Unassigned:	2,905,586	-	-	-	-	2,905,586
<u>Total Fund Balances</u>	<u>3,348,386</u>	<u>54,059</u>	<u>731,038</u>	<u>-</u>	<u>84,409</u>	<u>4,217,892</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>3,709,862</u>	<u>54,059</u>	<u>785,978</u>	<u>55,800</u>	<u>207,087</u>	<u>4,812,786</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

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

<u>Total Fund Balance – Governmental Funds</u>	4,217,892
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$28,761,650 and the accumulated depreciation is \$7,374,427.	21,387,223
Property tax revenue is recognized when earned (claim to resources established) rather than when “available” in the entity-wide financial statements.	75,695
Long-term liabilities, including certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in funds. The associated premiums are not capitalized and amortized to interest expense in the funds.	
GO Bonds	(10,350,000)
Unamortized Bond Premium	(778,276)
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(20,704)
Compensated absences are not reported as a liability in the funds.	(120,035)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(4,033,639)
Net Other Post Employment Benefits Liability	(195,149)
Deferred Outflows	1,136,957
Deferred Inflows	<u>(2,802,607)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>8,517,357</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General	Capital Project	Bond Redemption	Transportation	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>						
Property Taxes	736,300	-	1,090,727	141,835	-	1,968,862
Specific Ownership Taxes	199,209	-	-	-	-	199,209
Earnings on Investments	6,881	-	1,094	-	24	7,999
Other Local Sources	195,612	294	28,152	21	73,650	297,729
State Aid	2,994,219	-	-	38,871	1,090	3,034,180
Federal Aid	227,713	-	-	-	388,514	616,227
Total Revenues	<u>4,359,934</u>	<u>294</u>	<u>1,119,973</u>	<u>180,727</u>	<u>463,278</u>	<u>6,124,206</u>
<u>EXPENDITURES</u>						
<u>Current:</u>						
Instructional Services	2,006,962	-	-	-	214,072	2,221,034
Supporting Services:						
Students	160,739	-	-	-	76,523	237,262
Instructional Staff	4,448	-	-	-	-	4,448
District Administration	287,349	-	-	-	-	287,349
School Administration	36,150	-	-	-	-	36,150
Business	117,683	-	-	-	6,119	123,802
Operation & Maintenance of Facilities	697,930	-	-	-	-	697,930
Transportation	-	-	-	197,398	-	197,398
Central	281,328	-	921	-	-	282,249
Food Service	-	-	-	-	147,024	147,024
Debt Service						
Principal	-	-	420,000	-	-	420,000
Interest	-	-	505,300	-	-	505,300
Capital Outlay	7,767	133,966	-	-	-	141,733
Total Expenditures	<u>3,600,356</u>	<u>133,966</u>	<u>926,221</u>	<u>197,398</u>	<u>443,738</u>	<u>5,301,679</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>						
	<u>759,578</u>	<u>(133,672)</u>	<u>193,752</u>	<u>(16,671)</u>	<u>19,540</u>	<u>822,527</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers	(19,456)	-	-	16,671	2,785	-
Total Other Financing Sources (Uses)	<u>(19,456)</u>	<u>-</u>	<u>-</u>	<u>16,671</u>	<u>2,785</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>						
	740,122	(133,672)	193,752	-	22,325	822,527
FUND BALANCE-Beginning	2,608,264	187,731	537,286	-	62,084	3,395,365
FUND BALANCES-Ending	<u>3,348,386</u>	<u>54,059</u>	<u>731,038</u>	<u>-</u>	<u>84,409</u>	<u>4,217,892</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

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

Net Change in Fund Balances – Total Governmental Funds 822,527

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	150,266	
Depreciation Expense	<u>(694,128)</u>	(543,862)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (287,733)

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	420,000	
Interest Expense	700	
Premium Amortization	<u>89,837</u>	510,537

Compensated absences change in the period based on amounts earned or paid. (16,892)

The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension Cost or Benefit	1,998,117	
Other Post Employment Benefits Cost or Benefit	<u>24,645</u>	<u>2,022,762</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 2,507,339

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2022

	<u>Haag Memorial Scholarship</u>
<u>Assets:</u>	
Cash	4,861
Investments	-
Deposits Held By Others	-
<u>Total Assets</u>	<u>4,861</u>
<u>Liabilities:</u>	
Accounts Payable	-
<u>Total Liabilities</u>	<u>-</u>
<u>Net Position:</u>	
Restricted for Scholarships	4,861
Unrestricted	-
<u>Net Position</u>	<u>4,861</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For The Year Ended June 30, 2022

	<u>Haag Memorial Scholarship</u>
<u>ADDITIONS</u>	
Contributions	30
Investments Earnings	<u>6</u>
<u>Total Additions</u>	<u>36</u>
<u>DEDUCTIONS</u>	
Scholarship Payments	<u>5</u>
<u>Total Deductions</u>	<u>5</u>
<u>Change in Net Position</u>	31
<u>Net Position – Beginning of Year</u>	4,830
<u>Net Position – End of Year</u>	<u>4,861</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Primero Reorganized School District Number 2 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Primero Reorganized School District Number 2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Transportation Fund – the fund used to account for the proceeds of a transportation mill levy and state receipts and the transportation costs funded by these revenues.
 3. Bond Redemption Fund – this fund receives ad valorem taxes levied for the purpose of general obligation debt payments.
 4. Capital Project Fund – the fund is used to account for expenditures related to specific construction projects. The funding sources for the projects (General Obligation Debt, Grants and other earmarked funds) are recorded in this fund.

Additionally, the District reports the following fund types: Custodial Funds

Scholarship Fund – This fund is used to account for amounts held in a fiduciary capacity for scholarships.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2021 but uncollected in 2022 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2022 are recorded as deferred inflows. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. 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.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Constitutional Amendment

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

In November of 2001 the registered voters approved a ballot resolution authorizing Primero Reorganized School District Number 2 to collect, retain and expend all revenues collected during 2001 & 2002 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2022 the District reserved \$132,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year’s spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2021 property tax calendar for Las Animas County was as follows:

Levy Date	December 15, 2021
Lien Date	January 1, 2022
Tax Bills Mailed	January 1, 2022
First Installment Due	February 28, 2022
Second Installment Due	June 15, 2022
If Paid in Full, Due	April 30, 2022
Tax Sale – 2020 Delinquent Property Taxes	October 25, 2021

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	General Fund	Capital Project Fund	Bond Redemption Fund	Designated Purpose Grants Fund	Transportation Fund	Student Activity Fund	Food Service Fund	Total Governmental Funds
<u>Nonspendable:</u>								
Inventories	-	-	-	-	-	-	4,648	4,648
<u>Restricted:</u>								
Emergencies	132,000	-	-	-	-	-	-	132,000
Debt Service	-	-	731,038	-	-	-	-	731,038
Food Service	-	-	-	-	-	-	20,385	20,385
<u>Committed:</u>								
Capital Outlay	214,736	54,059	-	-	-	-	-	268,795
Rental Maintenance	96,064	-	-	-	-	-	-	96,064
<u>Assigned:</u>								
Student Activities	-	-	-	-	-	59,376	-	59,376
<u>Unassigned:</u>	<u>2,905,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,905,586</u>
<u>Total Fund</u>								
<u>Balances</u>	<u>3,348,386</u>	<u>54,059</u>	<u>731,038</u>	<u>-</u>	<u>-</u>	<u>59,376</u>	<u>25,033</u>	<u>4,217,892</u>

P. Recently Adopted Accounting Pronouncements:

In June of 2017, the Governmental Accounting Standards Board issued Statement No. 87, Leases. The original effective date was for reporting periods beginning after December 15, 2019 but was extended to periods beginning after June 15, 2021.

On July 1, 2021 the District implemented the statement for leases. The District will comply on all leases that are individually or aggregately material to the financial statements.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	Item Eliminated			
	Transfers In	Transfers Due Out	Due To	From
General Fund	-	19,456	-	152,221
Capital Project	-	-	-	-
Designated Purpose Grant Fund	2,785	-	98,111	-
Transportation Fund	16,671	-	54,110	-
Food Service	-	-	-	-
Bond Redemption	-	-	-	-
	<u>19,456</u>	<u>19,456</u>	<u>152,221</u>	<u>152,221</u>

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Fund and Bond Redemption Funds.
6. Budgets for the General, Special Revenue, Capital Project Fund and Bond Redemption Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). A budget was adopted for the Custodial Fund.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 4 CASH AND INVESTMENTS (Continued)

At June 30, 2022, the District's bank balance and corresponding carrying balance were as follows:

	Carrying Balance	Bank Balance
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,895,945	2,966,683
Cash Equivalents	493,840	-
Cash with County Treasurer	40,231	-
Cash on Hand	160	-
<u>Total Cash and Deposits</u>	<u>3,680,176</u>	<u>3,216,683</u>

As presented above, deposits with a bank balance of \$2,966,683 and a carrying balance of \$2,895,945 as of June 30, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2022, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	External Investment Pool	Under 60 Day Average	403,744

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAAM by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2022:

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2021	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance June 30, 2022
<u>Non-Depreciable Assets:</u>					
Land	50,000	-	-	-	50,000
<u>Total Non-Depreciable Assets</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>Depreciable Assets:</u>					
Buildings & Site					
Improvements	27,507,719	133,966	-	-	27,641,685
Food Service Equipment	113,092	-	-	-	113,092
Vehicles	794,503	-	-	-	794,503
Equipment	146,070	16,300	-	-	162,370
<u>Total Depreciable Assets</u>	<u>28,561,384</u>	<u>150,266</u>	<u>-</u>	<u>-</u>	<u>28,711,650</u>
<u>Less Accumulated Depreciation:</u>					
Building & Site					
Improvements	5,777,821	656,927	-	-	6,434,748
Equipment & Vehicles	902,478	37,201	-	-	939,679
<u>Total Accumulated Depreciation</u>	<u>6,680,299</u>	<u>694,128</u>	<u>-</u>	<u>-</u>	<u>7,374,427</u>
<u>Total Capital Assets, Net</u>	<u>21,931,085</u>	<u>(543,862)</u>	<u>-</u>	<u>-</u>	<u>21,387,223</u>

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

Governmental Activities:

Instruction	608,258
Food Service	-
Operations and Maintenance	45,694
Transportation	40,176
<u>Total Depreciation Expense –Governmental Activities</u>	<u>694,128</u>

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2022, are estimated to be \$291,487. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Primero Reorganized School District Number 2 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Primero Reorganized School District Number 2 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, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

NOTE 7 **PENSION PLAN (Continued)**

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.

Contributions provisions as of June 30, 2022: Eligible employees of, Primero Reorganized School District Number 2 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 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below.

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
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	9.88%
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	19.88%

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Primero Reorganized School District Number 2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Primero Reorganized School District Number 2 were \$442,277 for the year ended June 30, 2022.

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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Primero Reorganized School District Number 2 proportion of the net pension liability was based on Primero Reorganized School District Number 2 contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the Primero Reorganized School District Number 2 reported a liability of \$4,033,639 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 Primero Reorganized School District Number 2 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 Primero Reorganized School District Number 2 were as follows:

Primero Reorganized School District Number 2 proportionate share of the net pension liability	\$ 4,033,639
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Primero Reorganized School District Number 2	\$ 462,405
Total	\$ 4,496,044

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

At December 31, 2021, the Primero Reorganized School District Number 2 proportion was 0.0347%, which was a decrease of 0.008% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Primero Reorganized School District Number 2 recognized pension income of \$1,998,117 and revenue of \$49,368 for support from the State as a nonemployer contributing entity. At June 30, 2022, the Primero Reorganized School District Number 2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	154,424	-
Changes of assumptions or other inputs	307,938	-
Net difference between projected and actual earnings on pension plan investments	-	(1,516,528)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	420,162	(1,181,687)
Contributions subsequent to the measurement date	229,117	N/A
Total	1,111,641	(2,698,215)

\$229,117 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, 2023. 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, 2022	
2023	(379,548)
2024	(738,480)
2025	(513,589)
2026	(184,074)
2027	-
Thereafter	-

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

Actuarial assumptions. The TPL in the December 31, 2020 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*	Financed by the AIR

*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 TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

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

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 **PENSION PLAN (Continued)**

The actuarial assumptions used in the December 31, 2020, 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 every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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%.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 PENSION PLAN (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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 position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 **PENSION PLAN (Continued)**

Sensitivity of the Primero Reorganized School District Number 2 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	5,937,187	4,033,639	2,445,200

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.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description – Employees of the Primero Reorganized School District Number 2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$-0-.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Primero Reorganized School District Number 2 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.

General Information about the OPEB Plan

Plan description. Eligible employees of the Primero Reorganized School District Number 2 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.

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.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8

OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

DPS Benefit Structure

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

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the 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.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Primero Reorganized School District Number 2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Primero Reorganized School District Number 2 were \$22,693 for the year ended June 30, 2022.

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

At June 30, 2022, the Primero Reorganized School District Number 2 reported a liability of \$195,149 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Primero Reorganized School District Number 2 proportion of the net OPEB liability was based on Primero Reorganized School District Number 2 contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Primero Reorganized School District Number 2 proportion was 0.0226%, which was a decrease of 0.001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Primero Reorganized School District Number 2 recognized OPEB income of \$24,645. At June 30, 2022, the Primero Reorganized School District Number 2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	297	(46,272)
Changes of assumptions or other inputs	4,040	(10,586)
Net difference between projected and actual earnings on OPEB plan investments	-	(12,080)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,223	(35,454)
Contributions subsequent to the measurement date	11,756	N/A
Total	25,316	(104,392)

\$11,756 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, 2023. 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, 2022	
2023	(18,990)
2024	(26,434)
2025	(26,941)
2026	(14,531)
2027	(3,436)
Thereafter	(500)

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40% -11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, 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	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Mortality assumptions used in the December 31, 2020 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 State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

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

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

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

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (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.

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, 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 every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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 Primero Reorganized School District Number 2 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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$189,545	\$195,149	\$201,641

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, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

- 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 Primero Reorganized School District Number 2 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	\$189,545	\$195,149	\$201,641

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.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in 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 District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information for the year ended June 30, 2021 is as follows:

Assets and Deferred Outflows	3,193,671
Liabilities and Deferred Inflows	<u>7,591,107</u>
Net Position	<u>(4,397,436)</u>
Revenues	5,837,565
Expenses	<u>3,289,689</u>
Changes in Net Position	<u>2,547,876</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. An audited financial statement is filed annually with the Colorado State Auditor's Office.

NOTE 10 COMPENSATED ABSENCES

In accordance with generally accepted accounting principles for governmental entities, the District had accrued a liability for future compensated absences (sick leave, vacation allowance, etc.). The amount accrued as of June 30, 2022 is \$120,035.

NOTE 11 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDSIP)

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime and other coverage. The Board of Directors is composed of nine persons; of whom are appointed by the Board of Directors of CSDSIP. The Pool is managed by an executive director chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 11 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDSIP) (Continued)

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the fund from which they are paid.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2022.

An audited summary of the Colorado School District's Pool financial information for the year ended June 30, 2021 (latest information available) follows:

Total Assets	<u>64,950,784</u>
Total Liabilities	<u>26,531,849</u>
Total Equity	<u>38,418,935</u>
Revenue	32,051,341
Underwriting Expenses	<u>22,573,689</u>
Underwriting Gain (Loss)	9,477,652
Net Investment Income	1,118,389
Other Income	-
Net Income (Loss) Before Dividend	10,596,041
Dividend	-
Net Income (Loss)	<u>10,596,041</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>(19,019)</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>38,418,935</u>

NOTE 12 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, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 13 LONG – TERM DEBT

Changes in long-term debt follow:

	<u>Beginning Balance</u>	<u>Added</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Current Portion</u>
GO Bonds – Series 2017	10,770,000	-	420,000	10,350,000	440,000

General Obligation Bonds

In January 2017, the District issued General Obligation Bonds for the purpose of funding additions and improvements to their school buildings. The bonds were issued for \$11,955,000 and a premium of \$1,286,836 was received on sale. Payments will be made semi-annually and began in June of 2017. Payments will be interest only until December 2018 when principal payments begin. The final payment is due in December 2037. Coupon interest rates vary from 3% to 5%. Following is a schedule of debt service to maturity.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	440,000	485,900
2024	460,000	463,400
2025	485,000	439,775
2026	510,000	414,900
2027	535,000	388,775
2028	560,000	361,400
2029	590,000	332,650
2030	620,000	302,400
2031	650,000	270,650
2032	680,000	237,400
2033	715,000	202,525
2034	750,000	167,775
2035	785,000	133,250
2036	820,000	97,150
2037	855,000	59,475
2038	<u>895,000</u>	<u>20,125</u>
Total	<u>10,350,000</u>	<u>4,377,550</u>

NOTE 14 INTERFUND ACTIVITY

Transfers from the general fund to support operational cash requirements were made in the following amounts:

Designated Purpose Grant Fund	2,785
Food Service Fund	-
Transportation Fund	16,671

The Transportation Fund owes the General Fund \$54,110 at year end for amounts paid by the General Fund. The Designated Purpose Grant Fund owes the General Fund \$98,111. All amounts are expected to be paid within the year.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Transportation Fund

This Fund accounts for the tax proceeds from a transportation mill levy override. State Transportation Funds are also recorded here. The costs associated with student transportation are recorded in this fund.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	644,419	644,419	736,300	91,881
Specific Ownership Taxes	241,821	241,821	199,209	(42,612)
Earnings on Investments	6,215	6,215	6,881	666
Delinquent Taxes & Interest	5,000	5,000	17,885	12,885
Other	133,204	133,204	177,727	44,523
<u>State Sources</u>				
Equalization	2,742,087	2,742,087	2,765,810	23,723
Transportation	-	-	-	-
Vocational Education	40,000	40,000	26,012	(13,988)
Special Education	15,000	15,000	14,934	(66)
Other	91,251	91,251	187,463	96,212
<u>Federal Sources</u>				
Designated Purpose Grants	421,296	421,296	227,713	(193,583)
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>4,340,293</u>	<u>4,340,293</u>	<u>4,359,934</u>	<u>19,641</u>
 <u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	1,341,058	1,341,058	1,270,120	70,938
Employee Benefits	493,651	493,651	522,397	(28,746)
Purchased Services - Professional	31,505	31,505	25,584	5,921
Purchased Services - Property	6,000	6,000	1,480	4,520
Purchased Services - Other	83,330	83,330	69,045	14,285
Supplies and Materials	162,569	162,569	94,453	68,116
Property	293,285	293,285	19,709	273,576
Other Objects	7,000	7,000	4,174	2,826
<u>Total Instruction</u>	<u>2,418,398</u>	<u>2,418,398</u>	<u>2,006,962</u>	<u>411,436</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	107,543	107,543	107,159	384
Employee Benefits	40,823	40,823	44,276	(3,453)
Purchased Services - Professional	100	100	-	100
Purchased Services - Property	500	500	-	500
Purchased Services - Other	2,000	2,000	-	2,000
Supplies and Materials	15,000	15,000	9,304	5,696
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>165,966</u>	<u>165,966</u>	<u>160,739</u>	<u>5,227</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Instructional Staff</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	4,448	(4,448)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>-</u>	<u>-</u>	<u>4,448</u>	<u>(4,448)</u>
<u>General Administration</u>				
Salaries	131,038	131,038	141,897	(10,859)
Employee Benefits	42,393	42,393	49,526	(7,133)
Purchased Services – Professional	59,300	59,300	21,060	38,240
Purchased Services – Property	11,000	11,000	12,306	(1,306)
Purchased Services – Other	64,000	64,000	50,021	13,979
Supplies and Materials	22,150	22,150	12,334	9,816
Property	1,000	1,000	-	1,000
Other Objects	11,200	11,200	205	10,995
<u>Total General Administration</u>	<u>342,081</u>	<u>342,081</u>	<u>287,349</u>	<u>54,732</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	24,000	24,000	26,257	(2,257)
Employee Benefits	7,005	7,005	8,385	(1,380)
Purchased Services – Professional	250	250	-	250
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,950	1,950	350	1,600
Supplies and Materials	1,500	1,500	158	1,342
Property	1,000	1,000	-	1,000
Other Objects	1,200	1,200	1,000	200
<u>Total School Administration</u>	<u>36,905</u>	<u>36,905</u>	<u>36,150</u>	<u>755</u>
<u>Business Services</u>				
Salaries	72,456	72,456	81,027	(8,571)
Employee Benefits	24,014	24,014	28,231	(4,217)
Purchased Services – Professional	500	500	-	500
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,500	3,500	-	3,500
Supplies and Materials	6,500	6,500	8,425	(1,925)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Business Services</u>	<u>106,970</u>	<u>106,970</u>	<u>117,683</u>	<u>(10,713)</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	272,714	272,714	261,012	11,702
Employee Benefits	106,412	106,412	108,233	(1,821)
Purchased Services – Professional	32,000	32,000	21,653	10,347
Purchased Services – Property	172,629	172,629	75,164	97,465
Purchased Services – Other	57,500	57,500	42,990	14,510
Supplies and Materials	222,800	222,800	172,188	50,612
Property	23,500	23,500	16,327	7,173
Other Objects	5,250	5,250	363	4,887
<u>Total Operations and Maintenance</u>	<u>892,805</u>	<u>892,805</u>	<u>697,930</u>	<u>194,875</u>
<u>Student Transportation</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
<u>Total Student Transportation</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Central Support</u>				
Salaries	74,707	74,707	74,707	-
Employee Benefits	24,516	24,516	26,681	(2,165)
Purchased Services – Other	185,000	185,000	160,951	24,049
Supplies and Materials	10,000	10,000	-	10,000
Property	104,088	104,088	18,989	85,099
Other Objects	104,187	104,187	-	104,187
<u>Total Central Support</u>	<u>502,498</u>	<u>502,498</u>	<u>281,328</u>	<u>221,170</u>
<u>Facilities Acquisition and Construction</u>				
Supplies and Materials	20,000	20,000	6,297	13,703
Capital Outlay	50,000	50,000	1,470	48,530
<u>Total Facilities Acquisition and Construction</u>	<u>70,000</u>	<u>70,000</u>	<u>7,767</u>	<u>62,233</u>
<u>Debt Service</u>				
Principal	-	-	-	-
Interest	-	-	-	-
<u>Total Debt Service</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,117,225</u>	<u>2,117,225</u>	<u>1,593,394</u>	<u>523,831</u>
<u>Appropriated Reserves</u>	<u>2,387,741</u>	<u>2,387,741</u>	<u>-</u>	<u>2,387,741</u>
<u>TOTAL EXPENDITURES</u>	<u>6,923,364</u>	<u>6,923,364</u>	<u>3,600,356</u>	<u>3,323,008</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,583,071)</u>	<u>(2,583,071)</u>	<u>759,578</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>(188,829)</u>	<u>(188,829)</u>	<u>(19,456)</u>	<u>169,373</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(2,771,900)</u>	<u>(2,771,900)</u>	<u>740,122</u>	
<u>FUND BALANCE, July 1</u>	<u>2,771,900</u>	<u>2,771,900</u>	<u>2,608,264</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>3,348,386</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Revenues</u>				
Property Tax	140,300	140,300	141,835	1,535
Local Sources	100	100	21	(79)
State Sources	55,000	55,000	38,871	(16,129)
Federal Sources	-	-	-	-
<u>Total Revenues</u>	<u>195,400</u>	<u>195,400</u>	<u>180,727</u>	<u>(14,673)</u>
<u>Expenditures</u>				
Salaries	92,233	92,233	100,111	(7,878)
Employee Benefits	27,392	27,392	28,840	(1,448)
Purchased Services – Professional	500	500	286	214
Purchased Services – Property	54,162	54,162	12,949	41,213
Purchased Services - Other	2,000	2,000	-	2,000
Supplies and Materials	129,118	129,118	55,212	73,906
Capital Outlay	-	-	-	-
Other Objects	-	-	-	-
<u>Total Expenditures</u>	<u>305,405</u>	<u>305,405</u>	<u>197,398</u>	<u>108,007</u>
<u>Revenues Over (Under) Expenditures</u>	(110,005)	(110,005)	(16,671)	
<u>Transfers</u>	<u>85,000</u>	<u>85,000</u>	<u>16,671</u>	<u>(68,329)</u>
<u>Net Change in Fund Balances</u>	(25,005)	(25,005)	-	
<u>FUND BALANCES, July 1</u>	<u>25,005</u>	<u>25,005</u>	<u>-</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.035%	0.043%	0.039%	0.0413%	0.0464%	0.0411%	0.0398%	0.0406%	0.0411%	-
District's proportionate share of the net pension liability (asset)	\$4,033,639	\$6,508,465	\$5,790,109	\$7,321,247	\$15,008,082	\$12,237,292	\$6,079,630	\$5,505,046	\$5,242,974	-
State's proportionate share of the net pension liability associated with the District**	\$462,405	-	\$734,401	\$1,001,079	-	-	-	-	-	-
District's covered payroll	\$2,224,737	\$2,116,643	\$2,218,884	\$2,286,155	\$2,393,510	\$1,930,573	\$1,773,534	\$1,730,167	\$1,653,168	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181%	307%	261%	320%	627%	634%	343%	318%	317%	-
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 442,277	\$ 420,790	\$ 430,019	\$ 437,341	\$ 452,670	\$ 355,095	\$ 314,800	\$ 292,272	\$ 264,486	\$ 252,445
Contributions in relation to the contractually required contributions	<u>\$ (442,277)</u>	<u>\$ (420,790)</u>	<u>\$ (430,019)</u>	<u>\$ (437,341)</u>	<u>\$ (452,670)</u>	<u>\$ (355,095)</u>	<u>\$ (314,800)</u>	<u>\$ (292,272)</u>	<u>\$ (264,486)</u>	<u>\$ (252,445)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$2,224,737	\$2,116,643	\$2,218,884	\$2,286,155	\$2,393,510	\$1,930,573	\$1,773,534	\$1,730,167	\$1,653,168	\$1,672,326
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.91%	18.39%	17.75%	16.89%	16.00%	15.10%

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 SCHEDULE OF PROPORTIONATE SHARE OF COLLECTIVE NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net OPEB liability (asset)	0.0226%	0.0233%	0.0253%	0.0269%	0.0264%	0.0234%	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$195,149	\$221,650	\$284,797	\$365,652	\$342,721	\$302,899	-	-	-	-
District's covered payroll	\$2,224,737	\$2,116,643	\$2,218,884	\$2,286,155	\$2,393,510	\$1,930,573	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.77%	10.47%	12.84%	15.99%	14.32%	5.68%	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 22,693	\$ 21,589	\$ 22,633	\$ 23,319	\$ 24,414	\$ 19,692	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (22,693)</u>	<u>\$ (21,589)</u>	<u>\$ (22,633)</u>	<u>\$ (23,319)</u>	<u>\$ (24,414)</u>	<u>\$ (19,692)</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-
District's covered payroll	\$2,224,737	\$2,116,643	\$2,218,884	\$2,286,155	\$2,393,510	\$1,930,573	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Service Fund – This fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

Designated Purpose Grant Fund – To account for the receipt and expenditure of federal and state designated purpose grants.

Pupil Activity Fund – This fund is used to account for receipts and expenditures of student clubs and organizations.

MAJOR GOVERNMENTAL FUNDS

Capital Project Fund

The Capital Project Fund is used to record the expenditures related to specific construction projects. The projects are funded by General Obligation Debt.

Debt Service

Bond Redemption Fund – This fund receives ad valorem taxes levied for the purpose of general obligation debt payment. Principal, interest and fees paid on general obligation debt are recorded in this fund.

CUSTODIAL FUNDS

Fiduciary Fund Types

Trust Fund – Scholarship Fund – This fund is used to account for amounts held in a fiduciary capacity for scholarships.

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	<u>Designated Purpose Grants</u>	<u>Food Service</u>	<u>Student Activity</u>	
<u>ASSETS</u>				
Cash	10,005	19,632	59,376	89,013
Property Tax Receivable	-	-	-	-
Accrued Revenue	100,470	12,956	-	113,426
Inventories	-	4,648	-	4,648
Due From Other Funds	-	-	-	-
<u>Total Assets</u>	<u>110,475</u>	<u>37,236</u>	<u>59,376</u>	<u>207,087</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	-	-
Accrued Salaries	8,864	12,203	-	21,067
Due To Other Funds	98,111	-	-	98,111
Unearned Grants	3,500	-	-	3,500
<u>Total Liabilities</u>	<u>110,475</u>	<u>12,203</u>	<u>-</u>	<u>122,678</u>
<u>Fund Balances:</u>				
Nonspendable:				
Inventories	-	4,648	-	4,648
Restricted:				
Food Service	-	20,385	-	20,385
Committed:				
Capital Outlay	-	-	-	-
Assigned:				
Student Activities	-	-	59,376	59,376
Unassigned	-	-	-	-
<u>Total Fund Balances</u>	<u>-</u>	<u>25,033</u>	<u>59,376</u>	<u>84,409</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>110,475</u>	<u>37,236</u>	<u>59,376</u>	<u>207,087</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES -NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2022

	<u>Special Revenue Funds</u>			Total Other Governmental Funds
	<u>Designated Purpose Grants</u>	<u>Food Service</u>	<u>Student Activity</u>	
<u>REVENUES</u>				
Property Tax Revenue	-	-	-	-
Federal Grant Revenue	235,758	152,756	-	388,514
State Grant Revenue	-	1,090	-	1,090
Local Sources	-	522	73,128	73,650
Interest	-	24	-	24
<u>Total Revenues</u>	<u>235,758</u>	<u>154,392</u>	<u>73,128</u>	<u>463,278</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	214,072	-	-	214,072
Supporting Services:				
Students	18,352	-	58,171	76,523
Business	6,119	-	-	6,119
Transportation	-	-	-	-
Community	-	-	-	-
Food Service	-	147,024	-	147,024
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>238,543</u>	<u>147,024</u>	<u>58,171</u>	<u>443,738</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(2,785)</u>	<u>7,368</u>	<u>14,957</u>	<u>19,540</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>2,785</u>	<u>-</u>	<u>-</u>	<u>2,785</u>
<u>Total Other Financing Sources</u>	<u>2,785</u>	<u>-</u>	<u>-</u>	<u>2,785</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	7,368	14,957	22,325
<u>FUND BALANCES, Beginning</u>				
	<u>-</u>	<u>17,665</u>	<u>44,419</u>	<u>62,084</u>
<u>FUND BALANCES, Ending</u>				
	<u>-</u>	<u>25,033</u>	<u>59,376</u>	<u>84,409</u>

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECT FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	300	294	(6)
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>300</u>	<u>294</u>	<u>(6)</u>
 <u>EXPENDITURES</u>			
Capital Outlay	188,031	133,966	54,065
Central Support	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>188,031</u>	<u>133,966</u>	<u>54,065</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(187,731)</u>	 <u>(133,672)</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	 <u>(187,731)</u>	 <u>(133,672)</u>	
 <u>FUND BALANCE, JULY 1</u>	 <u>187,731</u>	 <u>187,731</u>	
 <u>FUND BALANCE, JUNE 30</u>	 <u>-</u>	 <u>54,059</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	-	-
Earnings on Investments	10	24	14
Other	-	522	522
<u>State Sources</u>			
School Lunches and Breakfast	1,050	1,090	40
<u>Federal Sources</u>			
School Lunches and Breakfast	55,000	144,594	89,594
Commodities	<u>7,500</u>	<u>8,162</u>	<u>(662)</u>
<u>Total Revenues</u>	<u>63,560</u>	<u>154,392</u>	<u>90,832</u>
<u>EXPENDITURES</u>			
Salaries	48,342	46,436	1,906
Employee Benefits	25,994	27,271	(1,277)
Purchased Services – Professional	-	-	-
Purchased Services – Property	5,338	-	5,338
Purchased Services - Other	500	-	500
Food Purchases	88,596	60,773	27,823
Capital Outlay	12,500	-	12,500
Commodities	-	8,162	(8,162)
Non-Food Supplies	-	4,382	(4,382)
Other	-	-	-
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>181,270</u>	<u>147,024</u>	<u>34,246</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(117,710)	7,368	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>102,707</u>	-	<u>(102,707)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(15,003)	7,368	
<u>FUND BALANCE, July 1</u>	<u>15,003</u>	<u>17,665</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>25,033</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 BOND REDEMPTION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Property Tax	940,000	1,090,727	150,727
Local Sources	<u>5,000</u>	<u>29,246</u>	<u>24,246</u>
<u>Total Revenues</u>	<u>945,000</u>	<u>1,119,973</u>	<u>174,973</u>
 <u>Expenditures</u>			
Debt Service:			
Principal	942,274	420,000	522,274
Interest	521,800	505,300	16,500
Other	<u>2,500</u>	<u>921</u>	<u>1,579</u>
<u>Total Expenditures</u>	<u>1,466,574</u>	<u>926,221</u>	<u>540,353</u>
<u>Revenues Over (Under) Expenditures</u>	(521,574)	193,752	
 <u>Transfers</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Net Change in Fund Balance</u>	(521,574)	193,752	
 <u>FUND BALANCES, July 1</u>	<u>521,574</u>	<u>537,286</u>	
 <u>FUND BALANCES, June 30</u>	<u>-</u>	<u>731,038</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
DESIGNATED PURPOSE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Local Sources	-	-	-
State Sources	-	-	-
Federal Sources	<u>241,938</u>	<u>235,758</u>	<u>(6,180)</u>
<u>Total Revenues</u>	<u>241,938</u>	<u>235,758</u>	<u>(6,180)</u>
 <u>Expenditures</u>			
Salaries	217,571	135,982	81,589
Employee Benefits	11,016	31,344	(20,328)
Purchased Services – Professional	-	21,142	(21,142)
Purchased Services – Property	-	-	-
Purchased Services - Other	-	8,000	(8,000)
Supplies and Materials	30,573	34,994	(4,421)
Capital Outlay	-	7,081	(7,081)
Other Objects	-	-	-
<u>Total Expenditures</u>	<u>259,160</u>	<u>238,543</u>	<u>20,617</u>
 <u>Revenues Over (Under) Expenditures</u>	 (17,222)	 (2,785)	
 <u>Transfers</u>	 <u>7,219</u>	 <u>2,785</u>	 <u>(4,434)</u>
 <u>Net Change in Fund Balance</u>	 (10,003)	 -	
 <u>FUND BALANCES, July 1</u>	 <u>-</u>	 <u>-</u>	
 <u>FUND BALANCES, June 30</u>	 <u>(10,003)</u>	 <u>-</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
PUPIL ACTIVITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local	<u>50,050</u>	<u>73,128</u>	<u>23,078</u>
<u>Total Revenues</u>	<u>50,050</u>	<u>73,128</u>	<u>23,078</u>
 <u>EXPENDITURES</u>			
Pupil Activities – Student Support	<u>94,419</u>	<u>58,171</u>	<u>36,248</u>
<u>Total Expenditures</u>	<u>94,419</u>	<u>58,171</u>	<u>36,248</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (44,369)	 14,957	
 <u>TRANSFERS</u>	 -	 -	 <u>-</u>
 <u>FUND BALANCE, July 1</u>	 <u>44,369</u>	 <u>44,419</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>59,376</u>	

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

PRIMERO REORGANIZED SCHOOL DISTRICT NUMBER 2
 HAAG MEMORIAL SCHOLARSHIP FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>RECEIPTS</u>			
Other Local	<u>5</u>	<u>36</u>	<u>31</u>
<u>Total Receipts</u>	<u>5</u>	<u>36</u>	<u>31</u>
<u>Expenditures</u>			
Scholarship Payments	<u>4,830</u>	<u>5</u>	<u>4,825</u>
<u>Total Expenditures</u>	<u>4,830</u>	<u>5</u>	<u>4,825</u>
<u>Net Increase (Decrease) In Net Position</u>	(4,825)	31	
<u>Net Position Held In Trust – Beginning of Year</u>	4,825	4,830	
<u>Net Position Held In Trust – End of Year</u>	<u>-</u>	<u>4,861</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 1590 - Primero Reorganized 2
 Fiscal Year 2021-22
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	10001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	2,608,264	4,263,556	3,523,433	3,348,386
16 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	76,921	76,921	0
Sub-Total	2,608,264	4,340,477	3,600,355	3,348,386
11 Charter School Fund	0	0	0	0
20 74-79 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const Tech, Main Fund	0	0	0	0
07 Total Program Revenue Fund	17,665	154,392	147,025	25,033
21 Food Service Spec Revenue Fund	0	238,543	238,543	0
22 Govt Designated-Purpose Grants Fund	44,419	73,128	58,171	59,376
23 Pupil Activity Special Revenue Fund	0	197,398	197,398	0
25 Insurance Fund	537,286	1,119,973	926,221	731,038
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	107,731	294	133,966	54,059
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const Tech, Main Fund	0	0	0	0
Totals	3,395,365	6,124,266	5,301,679	4,217,892
Proprietary				
50 Other Enterprise Funds	0	0	0	0
61 63 Risk-Related Activity Fund	0	0	0	0
60 65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	4,830	36	5	4,861
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
75 GASB 34 Permanent Fund	0	0	0	0
95 Foundations	0	0	0	0
Totals	4,830	36	5	4,861
FINAL				



Colorado Department of Education

Bolded Balance Sheet Report

District: 1590 - Primero Reorganized 2

Fiscal Year 2021-22

Colorado School District/BOCES

ASSETS	Governmental					Proprietary					Fiduciary				
	General Funds 10,12-18	Charter School Fund 11	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	3,366,036	0	10,000	95,261	0	0	19,632	493,840	54,059	0	0	0	4,861	0	4,043,689
Cash with Fiscal Agent (8105)	15,173	0	2,920	0	0	0	22,138	0	0	0	0	0	0	0	40,231
Taxes Receivable (8121,8122)	165,000	0	27,000	0	0	0	270,000	0	0	0	0	0	0	0	462,000
Interfund Loans Receivable (8131,8132)	153,357	0	0	0	0	0	0	0	0	0	0	0	0	0	153,357
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	1,432	0	100,469	0	0	0	12,956	0	0	0	0	0	0	0	114,857
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	0	4,648	0	0	0	0	0	0	0	4,648
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	3,700,998	0	10,000	225,651	0	0	37,236	785,978	54,059	0	0	0	4,861	0	4,818,783

	Governmental						Proprietary					Fiduciary				
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	1,136	152,221	0	0	0	0	0	0	0	0	0	0	0	153,357
Intergovernmental Payables (7411)	58,181	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58,181
Other Payables (7421-7423)	6,553	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,553
Accrued Expenses (7461)	261,556	0	8,864	8,864	0	0	12,203	0	0	0	0	0	0	0	0	291,487
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	3,767	0	0	3,500	0	0	0	0	0	0	0	0	0	0	0	7,267
Other Current Liabilities (7491,7492,7499)	1,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,800
Deferred Inflow (7800)	20,755	0	0	1,690	0	0	0	54,940	0	0	0	0	0	0	0	77,385
Total Liabilities	352,612	0	10,000	166,275	0	0	12,203	54,940	0	0	0	0	0	0	0	596,030

Proprietary

Governmental

Fiduciary

FUND EQUITY

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	4,648	0	0	0	0	0	0	0	4,648
Restricted Fund Balance 6720	0	0	0	0	0	0	20,385	731,039	0	0	0	0	0	0	751,424
FABOR 3% Emergency Reserve 6721	132,000	0	0	0	0	0	0	0	0	0	0	0	0	0	132,000
FABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cabrado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Base-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	310,800	0	0	0	0	0	0	0	54,059	0	0	0	0	0	369,719
Assigned Fund Balance 6760	0	0	0	59,376	0	0	0	0	0	0	0	0	0	0	59,377
Unassigned Fund Balance 6770	2,905,586	0	0	0	0	0	0	0	0	0	0	0	0	0	2,905,586
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,348,386	0	0	59,376	0	0	25,033	731,038	54,059	0	0	0	0	4,861	4,222,753

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,700,998	0	10,000	225,651	0	0	37,236	785,978	54,059	0	0	0	0	4,861	4,818,783

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85
Total Liabilities & Fund Equity	3,700,998	0	10,000	225,651	0	0	37,236	785,978	54,059	0	0	0	0	4,861

For Each Fund Type: Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes
 Do Assets=Liability+Fund Equity