PRIMERO SCHOOL DISTRICT RE-2
WESTON, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

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Board of Education
Primero School District RE-2
Weston, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Primero School District RE-2 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Board of Education
Primero School District RE-2

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and budgetary comparison schedules, and the auditor's integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

February 28, 2025
Bailey, Colorado

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:	
2023-24:	$10,957,764.00
2022-23:	$10,057,546.00
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 and net OPEB liability at June 30, 2024, was $6,276,886 and $151,562, respectively.

The General Fund reported a fund balance of $4,704,525 at the close of the fiscal year 2024, which was an increase of $986,479 over the previous year's $3,718,046. 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.

2.

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, 2024, was $10,957,764. The District's net investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, net of related debt) is $10,398,391.

The unrestricted net position of ($123,518) may be used to meet the District's ongoing financial obligations. Tabor Reserves for emergencies amount to $117,761. The District's unrestricted net position increased $1,097,566 from 2022-23 to 2023-24. Unassigned fund balances are $4,317,465 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 Jeanine Duran, Superintendent of Schools and Eric Davies, Assistant Business Manager, and Jessica Robinson, Business Manager.

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

	Governmental Activities	
	2024	2023
ASSETS		
Current and Other Assets	6,229,750	5,266,663
Capital Assets, Net	20,736,635	21,446,074
Total Assets	26,966,385	26,712,737
Deferred Outflows of Resources	1,600,467	1,320,953
LIABILITIES		
Current and Other Liabilities	858,416	1,011,555
Long-Term Liabilities	16,281,692	15,743,175
Total Liabilities	17,140,108	16,754,730
Deferred Inflows of Resources	468,980	1,221,414
NET POSITION		
Net Investment in Capital Assets	10,398,391	11,536,074
Restricted for:		
Emergencies	117,761	145,000
Grants	9	-
Debt Service	470,181	759,405
Transportation	80,378	-
Food Service	14,562	24,328
Unrestricted	(123,518)	(2,407,261)
Total Net Position	10,957,764	10,057,546

	Governmental Activities	
	2024	2023
REVENUES		
Charges for Services	138,997	148,284
Operating Grants and Contributions	849,731	1,006,646
Capital Grants and Contributions	6,071	739,561
Property Taxes	2,154,243	2,033,072
Specific Ownership Taxes	234,723	222,963
State Equalization	2,914,253	2,869,897
Investment Income	87,304	54,608
Other	126,082	171,150
Total Revenues	6,511,404	7,246,181
EXPENSES		
Instruction	2,906,947	2,991,225
Supporting Services	1,881,141	2,146,801
Food Services	182,138	169,369
Interest on Long-Term Debt	481,270	398,597
Total Expenses	5,451,496	5,705,992
Change in Net Position	1,059,908	1,540,189
Net Position, Beginning, Original	10,057,546	8,517,357
Restatements	(159,690)	-
Net Position, Beginning, Restated	9,897,856	8,517,357
Net Position, Ending	10,957,764	10,057,546

The District’s total revenue was $6,511,404. A significant portion, 44.8%, of the revenue comes from state equalization. Property taxes account for 33% of the district’s revenue and the remaining 22.2% comes from other federal, state and local sources. The total expenses of all governmental activities was $5,413,838. Instruction and support services (not including operations and maintenance, interest, transportation, and capital outlay) were $3,713,715 or 71.397%. The expenditures did not exceed revenues in 2023-2024. 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 2022-2023. The District has continued to spend very frugally in order to try to keep the spending levels less that 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 Districts 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 positions. The District needs to continue to long-range plan its' budget and to be frugal with its allocations and expenditures.

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 operating and $168,584 in grants and expenses of $180,324. 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 with $0.00 in 2023. 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	$168,594	$180,324	($11,730)	$19,249
Grants	$78,924	$81,422	($2,498)	$9
Building	$12	$5,266	($5,254)	$2,968

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 $15,795.77. The District was funded with a count of 234.3. This was the count as of October 1, 2023. 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 2024-2025 school year is General Fund $3,109,549.99 and $783,749.83 in CD's. 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, 2020-2021,2021-2022, 2022-2023 and 2023-2024 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, 2024 amounts to $20,736,635. 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, 2024, is $8,607,481 for a net value of $20,736,635.

Key	Net Governmental Assets June 30, 2024	Net Governmental Assets June 30, 2023
Land and Sites	$50,000	$50,000
Buildings	$27,735,499	$27,646,753
Vehicles	1,558,617	1,817,272
Construction in Progress	$0	$0
Accumulated Depreciation	($8,607,481)	($8,067,951)
Total changes in Capital Assets	$20,736,635	$21,446,074

LONG –TERM DEBT

Voters in the Primero RE-2 School District approved a $10.770 million bond in November 2017 for the completion of a major building project. The remaining debt is as follows:

Balance:	Beginning Balance	Added	Retired	Ending
GO Bonds Series 2017	$9,910,000	$0.00	$460,000	$9,450,000
Premium 2017	$691,889	$0.00	$82,387	$609,502
Comp Absence	$112,869	$165,873	$0.00	$278,742
Total:	$10,022,869	$165,873	$542,387	$10,338,244

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget for the 2024-2025 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 2023 assessed valuation was $170,503,569. Total mill levy for 2023-2024 school year is 13.019 mills with a net valuation decrease to $125,418,405.

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 $117,761 to the TABOR Reserve in 2023-2024.

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 2024-2025, 2025-2026 and 2026-2027.

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
Jeanine Duran, Superintendent of Schools:	jduran@primeroschool.com
Jessica Robinson, Business Manager	jessicarobinson@primeroschool.com

BASIC FINANCIAL STATEMENTS

PRIMERO SCHOOL DISTRICT RE-2
STATEMENT OF NET POSITION
June 30, 2024

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 4,513,900
Accounts Receivable	66,711
Grants Receivable	34,311
Taxes Receivable	1,610,141
Inventories	4,687
Capital Assets, *Not Being Depreciated*	50,000
Capital Assets, *Net of Accumulated Depreciation*	20,686,635
TOTAL ASSETS	26,966,385
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	1,582,891
OPEB, *Net of Accumulated Amortization*	17,576
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,600,467
LIABILITIES	
Accrued Salaries and Benefits	325,004
Accrued Liabilities	1,800
Accrued Interest Payable	37,658
Unearned Revenue	8,954
Noncurrent Liabilities	
Due Within One Year	485,000
Due in More Than One Year	9,853,244
Net Pension Liability	6,276,886
Net OPEB Liability	151,562
TOTAL LIABILITIES	17,140,108
DEFERRED INFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	392,461
OPEB, *Net of Accumulated Amortization*	76,519
TOTAL DEFERRED INFLOWS OF RESOURCES	468,980
NET POSITION	
Net Investment in Capital Assets	10,398,391
Emergencies	117,761
Grants	9
Debt Service	470,181
Transportation	80,378
Food Service	14,562
Unrestricted	(123,518)
TOTAL NET POSITION	$ 10,957,764

PRIMERO SCHOOL DISTRICT RE-2
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND NET POSITION — PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 2,906,947	$ 107,998	$ 405,436	$ -	$ (2,393,513)
Supporting Services	1,881,141	30,999	275,733	6,071	(1,568,338)
Food Services	182,138	-	168,562	-	(13,576)
Interest on Long-Term Debt	481,270	-	-	-	(481,270)
TOTAL GOVERNMENTAL ACTIVITIES	$ 5,451,496	$ 138,997	$ 849,731	$ 6,071	(4,456,697)
	GENERAL REVENUES				
	Local Property Taxes				2,154,243
	Specific Ownership Taxes				234,723
	State Equalization				2,914,253
	Investment Income				87,304
	Other				126,08
	TOTAL GENERAL REVENUES				5,516,60
	CHANGE IN NET POSITION				1,059,908
	NET POSITION, Beginning, as Original Stated				10,057,546
	Restatement - Correction of Errors				(159,690)
	NET POSITION, Beginning, as Restated				9,897,856
	NET POSITION, Ending				$ 10,957,764

PRIMERO SCHOOL DISTRICT RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL	DEBT SERVICE	BUILDING
ASSETS			
Cash and Investments	$ 4,332,873	$ 8,827	$ -
Accounts Receivable	26,007	40,704	-
Grants Receivable	34,311	-	-
Taxes Receivable	828,224	683,021	-
Inventories	-	-	-
TOTAL ASSETS	$ 5,221,415	$ 732,552	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accrued Salaries and Benefits	$ 282,996	$ -	$ -
Accrued Liabilities	1,800	-	-
Unearned Revenue	8,954	-	-
TOTAL LIABILITIES	293,750	-	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	223,140	224,713	-
FUND BALANCES			
Nonspendable Inventories	-	-	-
Restricted:			
Emergencies	117,761	-	-
Grants	-	-	-
Debt Service	-	507,839	-
Transportation	-	-	-
Food Service	-	-	-
Committed to:			
Rental Maintenance	86,112	-	-
Capital Projects	183,187	-	-
Assigned to:			
Capital Projects	-	-	-
Student Activities	-	-	-
Unassigned	4,317,465	-	-
TOTAL FUND BALANCES	4,704,525	507,839	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 5,221,415	$ 732,552	$ -

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 172,200	$ 4,513,900
-	66,711
-	34,311
98,896	1,610,141
4,687	4,687
$ 275,783	$ 6,229,750
$ 42,008	$ 325,004
-	1,800
-	8,954
42,008	335,758
24,584	472,437
4,687	4,687
-	117,761
9	9
-	507,839
80,378	80,378
14,562	14,562
-	86,112
-	183,187
2,968	2,968
106,587	106,587
-	4,317,465
209,191	5,421,555
$ 275,783	$ 6,229,750

PRIMERO SCHOOL DISTRICT RE-2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	$	5,421,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		20,736,635
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		472,437
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(37,658)
Debt Payable		(10,059,502)
Accrued Compensated Absences		(278,742)
Net Pension Liability		(6,276,886)
Pension-Related Deferred Outflows of Resources		1,582,891
Pension-Related Deferred Inflows of Resources		(392,461)
Net OPEB Liability		(151,562)
OPEB-Related Deferred Outflows of Resources		17,576
OPEB-Related Deferred Inflows of Resources		(76,519)
Total Net Position of Governmental Activities	$	10,957,764

PRIMERO SCHOOL DISTRICT RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL	DEBT SERVICE	BUILDING
REVENUES			
Local Sources	$ 1,686,263	$ 773,693	$ -
County Sources	6,071	-	-
State Sources	3,181,602	-	-
Federal Sources	141,131	-	-
TOTAL REVENUES	5,015,067	773,693	-
EXPENDITURES			
Current			
Instruction	1,974,692	-	-
Supporting Services	1,734,706	1,860	-
Food Services	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	460,000	-
Interest	-	463,400	-
TOTAL EXPENDITURES	3,709,398	925,260	-
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,305,669	(151,567)	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(164,450)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(164,450)	-	-
CHANGE IN FUND BALANCES	1,141,219	(151,567)	-
FUND BALANCES, Beginning, as Originally Stated	3,718,046	759,405	8,222
Restatement - Correction of Errors	(154,740)	(99,999)	-
Reclassification - Major Fund to Nonmajor Fund	-	-	(8,222)
FUND BALANCES, Beginning, as Restated	3,563,306	659,406	-
FUND BALANCES, Ending	$ 4,704,525	$ 507,839	$ -

NONMAJOR GOVERNMENTAL FUNDS	TOTAL
$ 215,767	$ 2,675,723
-	6,071
105,274	3,286,876
189,200	330,331
510,241	6,299,001
143,526	2,118,218
236,197	1,972,763
180,324	180,324
4,129	4,129
-	460,000
-	463,400
564,176	5,198,834
(53,935)	1,100,167
164,450	164,450
-	(164,450)
164,450	-
110,515	1,100,167
102,058	4,587,731
(11,604)	(266,343)
8,222	-
98,676	4,321,388
$ 209,191	$ 5,421,555

PRIMERO SCHOOL DISTRICT RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	$	1,100,167
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation expense		(798,185)
Capital outlay		88,746
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		212,403
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		542,387
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		(17,870)
Accrued Compensated Absences		(165,873)
Net Pension Liability		(860,233)
Pension-Related Deferred Outflows of Resources		388,690
Pension-Related Deferred Inflows of Resources		533,285
Net OPEB Liability		33,071
OPEB-Related Deferred Outflows of Resources		(11,641)
OPEB-Related Deferred Inflows of Resources		14,961
Change in Net Position of Governmental Activities	$	1,059,908

PRIMERO SCHOOL DISTRICT RE-2
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	CUSTODIAL FUND
	SCHOLARSHIP FUND
ASSETS	
Cash and Cash Equivalents	$ 5,061
NET POSITION	
Unrestricted	$ 5,061

PRIMERO SCHOOL DISTRICT RE-2

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION

Year Ended June 30, 2024

		CUSTODIAL FUND
		SCHOLARSHIP FUND
ADDITIONS		
Local Sources	$	108
DEDUCTIONS		
Instruction		9
CHANGE IN NET POSITION		99
NET POSITION, Beginning		4,962
NET POSITION, Ending	$	5,061

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Primero School District RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long term general obligation debt principal, interest, and related costs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the District reports the following fund type:

Fiduciary Funds account for assets held by the District as an agent for individuals, private organizations, and other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary fund reported by the District is a private-purpose trust fund, the Scholarship Trust Fund.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 60 days of the end of the current year, except federal and state revenues.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

For purposes of the statement of fiduciary net position, cash equivalents include investments with original maturities of three months or less.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Inventories - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	20 years
Sites and Buildings	15 - 50 years
Machinery and Equipment	5 - 15 years

Deferred Outflows of Resources - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Unearned Revenues – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Deferred Inflows of Resources - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt - In the government-wide financial statements, long-term debt, financed purchase agreements, and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Compensated Absences – Twelve-month and nine-month personnel accrue up to 12 and 9 days of annual leave, respectively. Unused annual leave and related benefits are paid upon termination at half of the certified substitute rate. These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

Pensions - The District participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and his designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

At June 30, 2024, the District had the following cash and investments:

Cash on Hand	$ 160
Deposits	2,889,329
Investments	1,629,472
Total	$ 4,518,961

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

Cash and Investments	$ 4,513,900
Fiduciary Funds	5,061
Total	$ 4,518,961

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the District had bank deposits of $2,277,930 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The BOCES is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Fair Value Measurements - At June 30, 2024, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the BOCES may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools - At June 30, 2024, the District had $1,629,472 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at $1. The Pool is rated AAAm by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balances 6/30/2023	Additions	Deletions	Balances 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 50,000	$ -	$ -	$ 50,000
Capital Assets, Being Depreciated:				
Building and Site Improvements	27,646,753	88,746	-	27,735,499
Equipment and Vehicles	1,817,272	-	258,655	1,558,617
Total Capital Assets, Being Depreciated	29,464,025	88,746	258,655	29,294,116
Less Accumulated Depreciation:				
Building and Site Improvements	(7,095,210)	(664,959)	-	(7,760,169)
Equipment and Vehicles	(972,741)	(133,226)	(258,655)	(847,312)
Total Accumulated Depreciation	(8,067,951)	(798,185)	(258,655)	(8,607,481)
Capital Assets, Being Depreciated, Net	21,396,074	(709,439)	-	20,686,635
Total Capital Assets, Net	$ 21,446,074	$ (709,439)	$ -	$ 20,736,635

Depreciation expense of the governmental activities was charged to programs of the District as follows:

Instruction	$ 745,990
Supporting Services	52,195
Total	$ 798,185

NOTE 4: Interfund Transfers

At June 30, 2024, the General Fund transferred $161,943 to the Transportation Fund to subsidize transportation operations. The General Fund also transferred $2,507 to the Grants Fund to cover non-grant expenditures.

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2024.

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Governmental Activities					
GO Loan, Series 2017	$ 9,910,000	$ -	$ 460,000	$ 9,450,000	$ 485,000
Premium 2017	691,889	-	82,387	609,502	-
Compensated Absences	112,869	165,873	-	278,742	-
Total Long-Term Debt	$ 10,714,758	$ 165,873	$ 542,387	$ 10,338,244	$ 485,000

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

On January 26, 2017, the District issued General Obligation Bonds, Series 2017, in the amount of $11,955,000 to finance additions and capital improvements for District-owned buildings. Principal payments are due annually on December 15th, through 2037. Interest payments are due semi-annually on June 15th and December 15th, with interest accruing at rates ranging from 3% to 5% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

Debt service payments to maturity are as follows.

Year Ended June 30,	Principal	Interest	Total
2025	$ 485,000	$ 439,775	$ 924,775
2026	510,000	414,900	924,900
2027	535,000	388,775	923,775
2028	560,000	361,400	921,400
2029	590,000	332,650	922,650
2030	620,000	302,400	922,400
2031-2035	3,580,000	1,011,600	4,591,600
2036-2038	2,570,000	176,750	2,746,750
Total	$ 9,450,000	$ 3,428,250	$ 12,878,250

NOTE 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

NOTE 6: Risk Management (Continued)

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 20 years of service credit.

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2024 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2023, through June 30, 2024. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2024, were $434,965, equal to the required contributions.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF. Direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, CRS § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added CRS § 24-51-414(9) provides compensatory payment of $14.561 million for 2023 only.

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

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2023, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2023, the District's proportion was 0.0354958760%, which was an increase of 0.0057495172% from its proportion measured at December 31, 2022.

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

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

District's proportionate share of the net pension liability	$ 6,276,886
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	137,633
Total	$ 6,414,519

For the year ended June 30, 2024, the District recognized pension expense of $674,620 and a revenue of ($12,883) for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 297,646	$ -
Net difference between projected and actual earnings on plan investments	449,955	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	614,237	392,461
Contributions subsequent to the measurement date	221,053	-
Total	$ 1,582,891	$ 392,461

District contributions subsequent to the measurement date of $221,053 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2025	$ 83,286
2026	504,304
2027	507,247
2028	(125,460)
Total	$ 969,377

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years and asset/liability studies performed every three 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.

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- District 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 and 2020 AAP assessments. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District 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, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 8,393,240	$ 6,276,886	$ 4,512,102

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), 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 carryout the purposes of the PERACare program, including administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating 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). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

CRS § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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, and $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare.

The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2024, was $21,769, equal to the required amount.

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

At June 30, 2024, the District reported a net OPEB liability of $151,562, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers.

At December 31, 2023, the District's proportion was 0.0212352575%, which was a decrease of 0.0013780228% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of ($6,127). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 31,064
Changes of assumptions and other inputs	1,782	16,071
Net difference between projected and actual earnings on plan investments	4,687	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	44	29,384
Contributions subsequent to the measurement date	11,063	-
Total	$ 17,576	$ 76,519

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

District contributions subsequent to the measurement date of $11,063 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2025	$ (29,820)
2026	(17,981)
2027	(7,303)
2028	(9,214)
2029	(4,134)
2030	(1,554)
Total	$ (70,006)

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, the plan options include 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

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

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, 2023, valuation, the following monthly costs/premium are assumed for 2023 for the PERA Benefit Structure:

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

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

The 2022 Medicare Part A premium is $506 per month. All costs are subject to the health care cost trend rates.

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.

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2022, valuation date 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 costs for the 2023 plan year. The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status from actuary's claims data warehouse. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, 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 performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

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

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

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Based on the above assumptions and methods, the HCTF's fiduciary net position 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 147,212	$ 151,562	$ 156,293

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 179,013	$ 151,562	$ 128,077

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

NOTE 9: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

In November 2001, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 2002. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $117,761.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates 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 BOCES board is comprised of one member from each participating district. During the year ended June 30, 2024, the District contributed $33,268 to the BOCES. Separate financial statements for the BOCES are available at 323 South Purcell Boulevard, Pueblo, Colorado 81007, or online at www.sc-boces.org.

NOTE 11: Correction of Errors (Restatements)

The District made corrections of errors to the fund balances of various funds and the net position of governmental activities at June 30, 2023. The prior period corrections were made to correct property tax revenue in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In addition, the District had a correction of pension expense and related deferred outflows of resources and deferred inflows of resources in the prior year to reported properly in accordance with GASB Statement No. 68, *Accounting and Financial Reporting For Pensions*. The impact of the restatements as of June 30, 2023, is identified as follows:

	General Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	$ 3,718,046	$ 759,405	$ 102,058	$ 4,587,731	$ 10,057,546
Pension Expense	-	-	-	-	106,653
Property Tax Revenue	(154,740)	(99,999)	(11,604)	(266,343)	(266,343)
Net Position/Fund Balance, Beginning, as Restated	$ 3,563,306	$ 659,406	$ 90,454	$ 4,321,388	$ 9,897,856

NOTE 12: Reclassification of Funds

The District reclassified the transportation fund and the building fund from major funds in the prior year to nonmajor funds during fiscal year ended June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	$ 1,691,975	$ 1,744,554	$ 1,050,687	$ (693,867)
Specific Ownership Taxes	-	-	234,723	234,723
Tuition and Fees	-	-	9,815	9,815
Rental Income	-	-	30,999	30,999
Investment Income	-	-	87,153	87,153
Grants	-	-	16,725	16,725
Other	-	-	256,161	256,161
County Sources	6,071	6,071	6,071	-
State Grants	3,163,905	3,163,904	3,181,602	17,698
Federal Grants	71,612	71,612	141,131	69,519
TOTAL REVENUES	4,933,563	4,986,141	5,015,067	28,926
EXPENDITURES				
Current				
Instruction	2,479,141	2,479,170	1,974,692	504,478
Supporting Services				
Student Support	188,669	188,669	184,678	3,991
General Administration	640,559	715,979	415,932	300,047
Operations and Maintenance	994,625	1,047,204	790,087	257,117
Student Transportation	133,397	133,397	-	133,397
Central Support	267,583	267,583	245,036	22,547
Risk Management	90,925	90,925	37,222	53,703
Enterprise Operations	5,000	5,000	-	5,000
Facilities	70,000	70,000	61,751	8,249
Total Supporting Services	2,390,758	2,518,757	1,734,706	784,051
TOTAL EXPENDITURES	4,869,899	4,997,927	3,709,398	1,288,529
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	63,664	(11,786)	1,305,669	1,317,455
OTHER FINANCING SOURCES (USES)				
Transfers Out	(220,099)	(220,099)	(164,450)	55,649
CHANGE IN FUND BALANCE	(156,435)	(231,885)	1,141,219	1,373,104
FUND BALANCE, Beginning, as Originally Stated	3,177,057	3,020,592	3,718,046	697,454
Restatement - Correction of an Error	-	-	(154,740)	(154,740)
FUND BALANCE, Beginning, as Restated	3,177,057	3,020,592	3,563,306	542,714
FUND BALANCE, Ending	$ 3,020,622	$ 2,788,707	$ 4,704,525	$ 1,915,818

PRIMERO SCHOOL DISTRICT RE-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
Year Ended June 30, 2024

MEASUREMENT YEAR	12/31/23	12/31/22	12/31/21	12/31/20
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0354958760%	0.0297463588%	0.0346611001%	0.0403051145%
District's Proportionate Share of the Net Pension Liability	$ 6,276,886	$ 5,416,653	$ 4,033,639	$ 6,508,465
State's Proportionate Share of the Net Pension Liability Associated with the District	137,633	1,578,467	462,405	-
Total Proportionate Share of the Net Pension Liability	6,414,519	$ 6,995,120	$ 4,496,044	$ 6,508,465
District's Covered Payroll	$ 2,346,597	$ 2,439,201	$ 2,224,737	$ 2,116,643
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	267%	222%	181%	307%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	62%	75%	67%
FISCAL YEAR	6/30/24	6/30/23	6/30/22	6/30/21
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	$ 434,965	$ 497,110	$ 442,277	$ 420,790
Contributions in Relation to the Statutorily Required Contribution	(434,965)	(497,110)	(442,277)	(420,790)
Contribution Deficiency (Excess)	-	$ -	$ -	$ -
District's Covered Payroll	$ 2,134,262	$ 2,439,201	$ 2,224,737	$ 2,116,643
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%

12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
0.0387563119%	0.0413464999%	0.0464122793%	0.0411007814%	0.0397509682%	0.0406175770%
$ 5,790,109	$ 7,321,247	$ 15,008,082	$ 12,237,292	$ 6,079,630	$ 5,505,046
734,401	1,001,079	-	-	-	-
$ 6,524,510	$ 8,322,326	$ 15,008,082	$ 12,237,292	$ 6,079,630	$ 5,505,046
$ 2,218,884	$ 2,286,155	$ 2,393,510	$ 1,930,573	$ 1,773,534	$ 1,730,167
261%	320%	627%	634%	343%	318%
65%	57%	44%	43%	59%	63%
06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
$ 430,019	$ 437,341	$ 452,670	$ 355,095	$ 314,800	$ 292,272
(430,019)	(437,341)	(452,670)	(355,095)	(314,800)	(292,272)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,218,884	$ 2,286,155	$ 2,393,510	$ 1,930,573	$ 1,773,534	$ 1,730,167
19.38%	19.13%	18.91%	18.39%	17.75%	16.89%

PRIMERO SCHOOL DISTRICT RE-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
Year Ended June 30, 2024

MEASUREMENT YEAR	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
District's Proportion of the Net OPEB Liability	0.0212352575%	0.0226132803%	0.0226310462%
District's Proportionate Share of the Net OPEB Liability	$ 151,562	$ 181,633	$ 195,149
District's Covered Payroll	$ 2,346,597	$ 2,439,201	$ 2,224,737
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6%	7%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46%	39%	39%
FISCAL YEAR	6/30/24	6/30/23	6/30/22
DISTRICT CONTRIBUTIONS			
Statutorily Required Contribution	$ 21,769	$ 24,879	$ 22,693
Contributions in Relation to the Statutorily Required Contribution	(21,769)	(24,879)	(22,693)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 2,134,262	$ 2,439,201	$ 2,224,737
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
Information is available for 10 years, and will be presented for the years it is available.

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
	0.0233252694%	0.0253378591%	0.0268754861%	0.0263712867%	0.0234000000%
	$ 221,650	$ 284,797	$ 365,652	$ 342,721	$ 302,899
	$ 2,116,643	$ 2,218,884	$ 2,286,155	$ 2,393,510	$ 1,930,573
	10%	13%	16%	14%	16%
	33%	24%	17%	18%	17%

	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
	$ 21,589	$ 22,633	$ 23,319	$ 24,414	$ 19,692
	(21,589)	(22,633)	(23,319)	(24,414)	(19,692)
	$ -	$ -	$ -	$ -	$ -
	$ 2,116,643	$ 2,218,884	$ 2,286,155	$ 2,393,510	$ 1,930,573
	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the District's Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget 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. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

At June 30, 2024, the District's Scholarship Trust Fund actual expenditures/expenses exceeded budgeted appropriations by $3. This may be a violation of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

HCTF Plan - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY COMPARISON SCHEDULES

PRIMERO SCHOOL DISTRICT RE-2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	FOOD SERVICE	GRANTS	PUPIL ACTIVITY
ASSETS			
Cash and Investments	$ 27,640	$ 10,004	$ 106,587
Taxes Receivable	-	-	-
Inventories	4,687	-	-
TOTAL ASSETS	$ 32,327	$ 10,004	$ 106,587
LIABLITIES AND FUND BALANCES			
LIABILITIES			
Accrued Salaries and Benefits	$ 13,078	$ 9,995	$ -
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	-	-	-
FUND BALANCES			
Nonspendable Inventories	4,687	-	-
Restricted for:			
Grants	-	9	-
Transportation	-	-	-
Food Services	14,562	-	-
Assigned to:			
Capital Projects	-	-	-
Pupil Activities	-	-	106,587
TOTAL FUND BALANCES	19,249	9	106,587
TOTAL LIABILITIES AND FUND BALANCES	$ 32,327	$ 10,004	$ 106,587

BUILDING	TRANSPORTATION	TOTAL
$ 2,968	$ 25,001	$ 172,200
-	98,896	98,896
-	-	4,687
$ 2,968	$ 123,897	$ 275,783
$ -	$ 18,935	$ 42,008
-	24,584	24,584
-	-	4,687
-	-	9
-	80,378	80,378
-	-	14,562
2,968	-	2,968
-	-	106,587
2,968	80,378	209,191
$ 2,968	$ 123,897	$ 275,783

PRIMERO SCHOOL DISTRICT RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	FOOD SERVICE	GRANTS	PUPIL ACTIVITY
REVENUES			
Local Sources	$ 32	$ -	$ 98,268
State Sources	58,286	-	-
Federal Sources	110,276	78,924	-
TOTAL REVENUES	168,594	78,924	98,268
EXPENDITURES			
Current			
Instruction	-	80,766	62,760
Supporting Services	-	-	-
Food Services	180,324	-	-
Capital Outlay	-	656	-
TOTAL EXPENDITURES	180,324	81,422	62,760
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,730)	(2,498)	35,508
OTHER FINANCING SOURCES			
Transfers In	-	2,507	-
CHANGES IN FUND BALANCES	(11,730)	9	35,508
FUND BALANCES, Beginning, as Originally Stated	30,979	-	71,079
Restatement - Correction of Errors	-	-	-
Restatement - Reclassification Major Fund to Nonmajor Fun	-	-	-
FUND BALANCES, Beginning, as Restated	30,979	-	71,079
FUND BALANCES, Ending	$ 19,249	$ 9	$ 106,587

	BUILDING	TRANSPORTATION	TOTAL
	$ 12	$ 117,455	$ 215,767
	-	46,988	105,274
	-	-	189,200
	12	164,443	510,241
	-	-	143,526
	1,793	234,404	236,197
	-	-	180,324
	3,473	-	4,129
	5,266	234,404	564,176
	(5,254)	(69,961)	(53,935)
	-	161,943	164,450
	(5,254)	91,982	110,515
	-	-	102,058
	-	(11,604)	(11,604)
	8,222	-	8,222
	8,222	(11,604)	98,676
	$ 2,968	$ 80,378	$ 209,191

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources	$ 15	$ 15	$ 32	$ 17
State Grants	1,020	1,020	58,286	57,266
Federal Grants	95,084	95,084	110,276	15,192
TOTAL REVENUES	96,119	96,119	168,594	72,475
EXPENDITURES				
Food Service				
Salaries	51,050	51,050	51,933	(883)
Benefits	27,253	27,253	27,614	(361)
Purchased Services	1,500	1,500	-	1,500
Supplies and Materials	114,394	114,394	100,777	13,617
Capital Outlay	11,500	11,500	-	11,500
TOTAL EXPENDITURES	205,697	205,697	180,324	25,373
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,578)	(109,578)	(11,730)	97,848
OTHER FINANCING SOURCES				
Transfers In	95,099	95,099	-	(95,099)
CHANGE IN FUND BALANCE	(14,479)	(14,479)	(11,730)	2,749
FUND BALANCE, Beginning	14,479	14,479	30,979	16,500
FUND BALANCE, Ending	$ -	$ -	$ 19,249	$ 19,249

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
State Grants	$ 92,514	$ 92,514	$ -	$ (92,514)
Federal Grants	-	-	78,924	78,924
TOTAL REVENUES	92,514	92,514	78,924	(13,590)
EXPENDITURES				
Current				
Instruction	109,803	109,803	80,766	29,037
Capital Outlay	-	-	656	(656)
TOTAL EXPENDITURES	109,803	109,803	81,422	28,381
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,289)	(17,289)	(2,498)	14,791
OTHER FINANCING SOURCES				
Transfers In	5,000	5,000	2,507	(2,493)
CHANGE IN FUND BALANCE	(12,289)	(12,289)	9	12,298
FUND BALANCE, Beginning	12,289	12,289	-	(12,289)
FUND BALANCE, Ending	$ -	$ -	$ 9	$ 9

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive (Negative)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources				
Contributions	$ 65,050	$ 65,050	$ 98,268	$ 33,218
EXPENDITURES				
Current				
Instruction	136,129	136,129	62,760	73,369
CHANGE IN FUND BALANCE	(71,079)	(71,079)	35,508	106,587
FUND BALANCE, Beginning	71,079	71,079	71,079	-
FUND BALANCE, Ending	$ -	$ -	$ 106,587	$ 106,587

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 10	$ 10	$ 12	$ 2
EXPENDITURES				
Current				
Supporting Services	-	-	1,793	(1,793)
Capital Outlay	-	8,232	3,473	4,759
TOTAL EXPENDITURES	8,232	16,464	5,266	11,198
CHANGE IN FUND BALANCE	(8,222)	(16,454)	(5,254)	11,200
FUND BALANCE, Beginning	8,222	8,222	8,222	-
FUND BALANCE, Ending	$ -	$ (8,232)	$ 2,968	$ 11,200

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended June 30, 2024

	BUDGET			VARIANCE Positive (Negative)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources				
Property Taxes	$ 127,530	$ 127,530	$ 117,455	$ (10,075)
State Sources	40,000	40,000	46,988	6,988
TOTAL REVENUES	167,530	167,530	164,443	(3,087)
EXPENDITURES				
Transportation				
Salaries	116,220	116,220	131,992	(15,772)
Benefits	35,628	35,628	31,385	4,243
Purchased Services	51,837	51,837	14,464	37,373
Supplies and Materials	110,200	110,200	56,563	53,637
TOTAL EXPENDITURES	313,885	313,885	234,404	79,481
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(146,355)	(146,355)	(69,961)	76,394
OTHER FINANCING SOURCES				
Transfers In	120,000	120,000	161,943	41,943
CHANGE IN FUND BALANCE	(26,355)	(26,355)	91,982	118,337
FUND BALANCE, Beginning, as Originally Stated	26,355	26,355	-	(26,355)
Restatement - Correction of an Error	-	-	(11,604)	(11,604)
FUND BALANCE, Beginning, as Restated	26,355	26,355	(11,604)	(37,959)
FUND BALANCE, Ending	$ -	$ -	$ 80,378	$ 80,378

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	$ 955,000	$ 955,000	$ 750,955	$ (204,045)
Investment Income	-	-	22,738	22,738
TOTAL REVENUES	955,000	955,000	773,693	(181,307)
EXPENDITURES				
Debt Service				
Principal	1,117,271	1,117,271	460,000	657,271
Interest	485,900	485,900	463,400	22,500
Fees and Charges	1,800	1,800	1,860	(60)
TOTAL EXPENDITURES	1,604,971	1,604,971	925,260	679,711
CHANGE IN FUND BALANCE	(649,971)	(649,971)	(151,567)	498,404
FUND BALANCE, Beginning, as Originally Stated	649,971	649,971	759,405	109,434
Restatement - Correction of an Error	(20,000)	(20,000)	(99,999)	(79,999)
FUND BALANCE, Beginning, as Restated	629,971	629,971	659,406	29,435
FUND BALANCE, Ending	$ (20,000)	$ (20,000)	$ 507,839	$ 527,839

PRIMERO SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
SCHOLARSHIP FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
ADDITIONS				
Contributions	$ 106	$ 106	$ 108	$ 2
DEDUCTIONS				
Scholarship Awards	-	6	9	(3)
CHANGE IN FUND BALANCE	106	100	99	(1)
FUND BALANCE, Beginning	4,962	4,962	4,962	-
FUND BALANCE, Ending	$ 5,068	$ 5,062	$ 5,061	$ (1)

COMPLIANCE SECTION

STATE COMPLIANCE

Colorado Department of Education

Auditors Integrity Report

District: 1590 - Primero Reorganized 2

Fiscal Year 2023-24

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental					
10	General Fund	3,571,500	4,728,610	3,600,413	4,699,696
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	-8,194	122,004	108,982	4,828
Sub- Total		**3,563,306**	**4,850,614**	**3,709,396**	**4,704,524**
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
06	Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07	Total Program Reserve Fund	0	0	0	0
21	Food Service Spec Revenue Fund	30,979	168,593	180,323	19,249
22	Govt Designated-Purpose Grants Fund	0	81,431	81,422	9
23	Pupil Activity Special Revenue Fund	71,079	98,268	62,760	106,587
25	Transportation Fund	-11,604	326,387	234,404	80,378
31	Bond Redemption Fund	659,406	773,692	925,260	507,839
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	8,222	12	5,266	2,968
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		*4,321,388*	*6,298,997*	*5,198,831*	*5,421,554*
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (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	4,954	108	0	5,061
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		*4,954*	*108*	*0*	*5,061*

FINAL