

PROWERS COUNTY SCHOOL DISTRICT RE-1
GRANADA, COLORADO
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
AND CERTAIN SUPPLEMENTAL INFORMATION
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

June 24, 2025

Board of Education
Prowers County School District RE-1
Granada, Colorado 81041

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prowers County School District RE-1 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Prowers County School District RE-1, 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 for Opinions

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

Responsibility 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgement, 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, budgetary comparison information and GASB required pension and OPEB information on pages i through xi, and 35 through 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Prowers County School District RE-1's basic financial statements. The accompanying nonmajor fund budgetary comparison and State required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor fund budgetary comparison and State required schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Darren Ross & DeNardo, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROWERS COUNTY SCHOOL DISTRICT RE-1 GRANADA
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

As management of the Prowers County School District RE-1, we offer readers of the Prowers County School District RE-1's financial statements this narrative overview and analysis of the financial activities of the Prowers County School District RE-1 for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights

- The District's governmental activities increased \$221,462 over the course of the 2024 fiscal year. Total net assets increased 6 percent, due to an increase in capital assets and the GASB 68 rule which requires the District to show a Net Pension Obligation of \$6,941,717. Net Position is no longer divided between governmental activities and business-type activities.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3,331,234 or 72 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$1,022,726 or 22 percent of total revenues of \$4,608,489.
- The District had \$4,786,987 in expenses related to governmental activities; \$1,022,726 of these expenses were offset by program specific charges for services, grants and contributions.
- Outlays for capital assets were primarily comprised of the purchase of labor and materials for major repairs to the school building, through Best Grant funds.
- Business-type activities are no longer separated out since the Food Service fund changed from an Enterprise Fund to a Special Revenue Fund as of July 1, 2014. Revenue in the food service fund from charges for services and operating grants and contributions was not sufficient to cover expenses in the 2024 fiscal year. \$88,195 was transferred from the General fund.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements, Statement of Net Position and Statement of Activities are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-and long-term financial information about the activities the District operates like businesses, such as food service.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and includes a comparison to the District's budget for the year.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Prowers County School District RE-1's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Prowers County School District RE-1 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes)

The district-wide financial statement no longer distinguishes functions of the District that were principally supported by taxes and intergovernmental revenues (government activities) from other functions that were intended to recover all or a significant portion of their costs through user fees

and charges (business-type activities). Governmental activities now include the District's basic services such as regular and special education, transportation, administration, and food services.

The district-wide financial statements can be found on pages 3 & 4 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Prowers County School District RE-1, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information in the reconciliation of the governmental funds statements explains the relationship (or differences) between them.

Prowers County School District RE-1 maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is reported as a major fund. The pupil activity and food service is reported as non-major funds.

Proprietary funds: Until the 2014-15 school year, Food Service had been an Enterprise fund and was presented under business-type activities in the district-wide financial statements. It is now presented under other governmental funds. The depreciation expense was dropped when Food Service changed to a special revenue fund. Prowers County School District RE-1 uses proprietary funds to account for its nutrition services.

Non-major Governmental Funds provide the same type of information as the district-wide financial statements, only in more detail. The non-major governmental fund financial statement provides separate information for the nutrition services and pupil activity.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 12-27 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes statements budget-to-actual information for all funds as dictated by state law.

District-wide Financial Analysis

The fiscal year ended June 30, 2024, is the twentieth year in which the financial statements of the District are reported following GASB Statement 34. Therefore, comparative information to the prior year is available for this section of the Management Discussion and Analysis.

Table 1 provides a summary of the district’s net position at June 30, 2023 & June 30, 2024.

**Table 1
Condensed Statement of Net Position**

	Governmental	Business-type	2024 Total	2023 Total
	Activities	Activities	School District	School District
Current and Other Assets	\$ 4,023,497	-	\$ 4,023,497	\$ 3,660,204
Capital Assets - Net	7,170,041	-	7,170,041	7,521,837
Deferred Outflows	1,421,414		1,421,414	908,812
Total Assets and Flows	12,614,952	-	12,614,952	12,090,853
Current Liabilities	504,444	-	504,444	848,070
Long Term Liabilities	6,434,273	-	6,434,273	5,567,571
Deferred Inflows	227,580	-	227,580	516,978
Total Liabilities	7,166,297	-	7,166,297	6,932,619
Net Position				
Net Investment in Capital Assets	5,455,319	-	5,455,319	5,731,501
Restricted For:				
Tabor Reserve	128,800		128,800	117,000
Preschool	13,829	-	13,829	17,711
Food Service	1,463		1,463	3,040
Capital Outlay	0		0	0
Unrestricted (Deficit)	(150,756)	-	(150,756)	(711,018)
Total net assets at June 30	5,448,655	-	5,448,655	5,158,234

Table 2 provides a summary of the changes in net assets. Following Table 2 is a specific discussion related to overall revenues and expenses.

Table 2
Changes in Net Assets From Operating Results

	Governmental Activities	Business- Type Activities	2024 Total School District	2023 Total School District
Revenues				
Capital Grants & Contributions	\$ 0	\$ -	\$ 0	\$ 0
Charges for Services	\$ 297,129	-	\$ 297,129	\$ 380,826
Operating Grants & Contributions	\$ 725,597	-	\$ 725,597	\$ 442,555
General Revenues				
Property Taxes	\$ 561,498		\$ 561,498	\$ 503,697
State Equalization	\$ 2,769,736		\$ 2,769,736	\$ 2,555,358
Other	\$ 89,583	-	\$ 89,583	\$ 35,705
Other Revenue	\$ 164,946		\$ 164,946	\$ 113,995
Transfers	-	-	-	-
Total Revenues	\$ 4,608,489	-	\$ 4,608,489	\$ 4,032,136
Expenses				
Instruction	\$ 2,702,564	-	\$ 2,702,564	\$ 2,056,114
Support Services:				
Students	\$ 78,490	-	\$ 78,490	\$ 328,952
Instructional Staff	\$ 83,517	-	\$ 83,517	\$ 87,078
General Administration	\$ 262,552	-	\$ 262,552	\$ 258,236
School Administration	\$ 53,329	-	\$ 53,329	\$ 46,423
Operations and Maintenance	\$ 1,063,484	-	\$ 1,063,484	\$ 1,008,743
Student Transportation	\$ 132,535	-	\$ 132,535	\$ 165,478
Central Supporting Services	\$ 69,026	-	\$ 69,026	\$ 63,030
Other Support	\$ 45,956	-	\$ 45,956	\$ 42,976
Capital Outlay	\$ -	-	\$ -	-
Food Service Operations	\$ 225,934	-	\$ 225,934	\$ 196,981
Transfers	-	-	-	-
Interest and Fiscal Charges	\$ 69,600	-	\$ 69,600	73,126
Pension Amortization	\$ -	-	\$ -	\$ 4,070
OPEB Expenses	\$ -		\$ -	\$ (18,798)
Total Expenses	\$ 4,786,987		\$ 4,786,987	\$ 4,312,409
Increase (Decrease) in Net Position	\$ (178,498)	\$ -	\$ (178,498)	\$ (280,273)

Grant contributions and per pupil state formula revenue (state equalization) account for most of the District’s revenue, contributing about 16 cents and 60 cents respectively for every dollar raised (see Table 3). Another 12 cents came from property taxes with the remainder from fees charged for services and miscellaneous sources.

The District expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Prowers County School District RE-1 is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District’s employees.

Detailed below in Tables 3 and 4 are charts displaying revenues by source and expenses by program for the total school district.

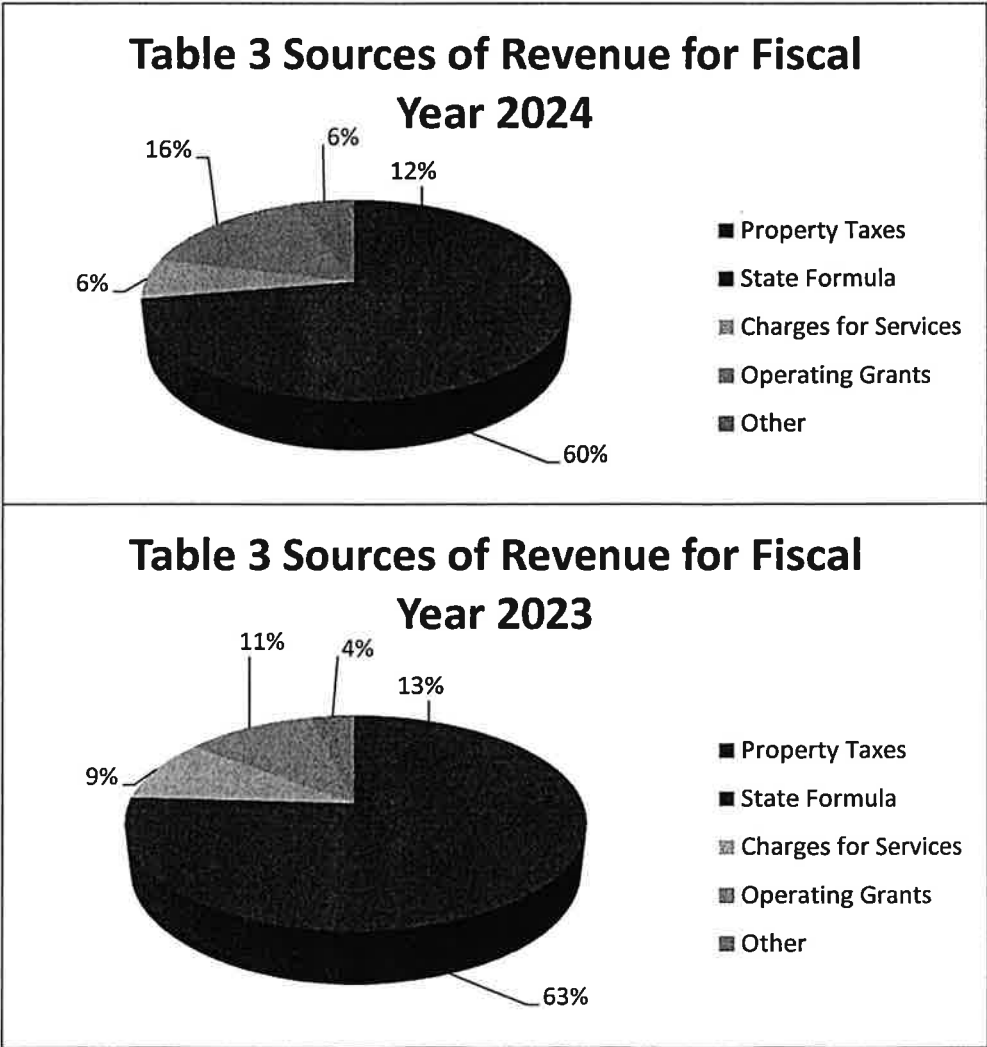


Table 4 Expenses for Fiscal Year 2024

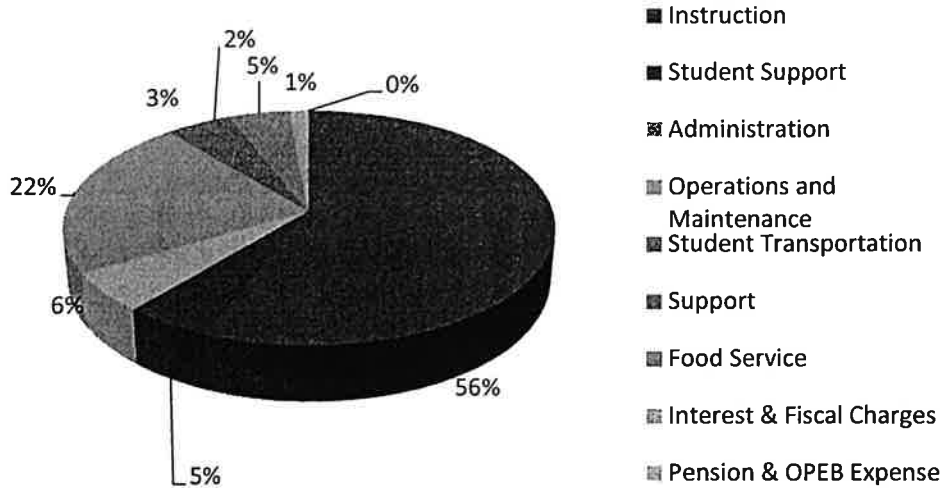
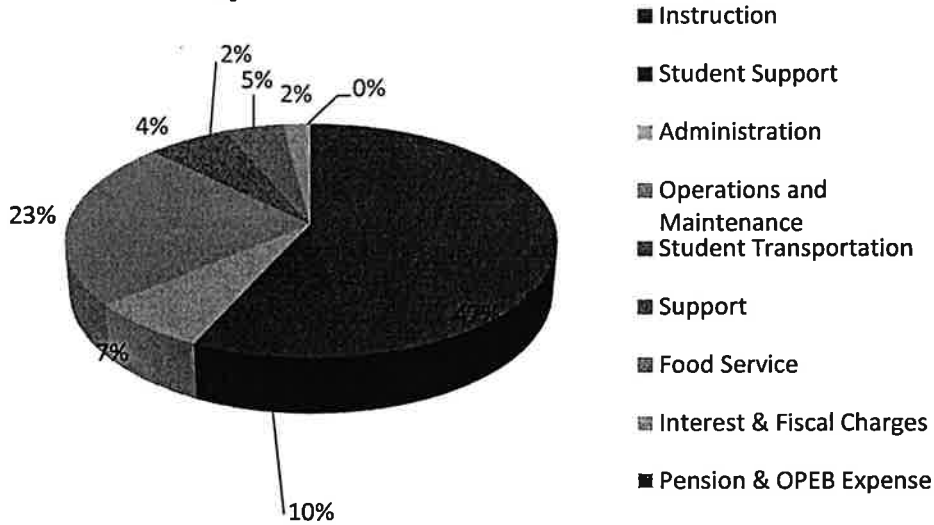


Table 4 Expenses for Fiscal Year 2023



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the district received, \$16,298.16 per funded student. In fiscal year 2023-2024, the funded pupil count was 203.0. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization. The district receives approximately 60 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax. The district receives approximately 12 percent of funding from property tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program’s net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these programs.

Table 5
Net Cost of Governmental Activities (in dollars)

	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,702,564	\$ -1,976,582
Students	78,490	69,211
Instructional Staff	83,517	-78,388
General Administration	262,552	-262,552
School Administration	53,329	-53,329
Operations and Maintenance	1,063,484	-1,063,147
Student Transportation	132,535	-114,246
Central Supporting Services	69,026	-69,026
Other Support	45,956	-45,956
Capital Outlay	-	-
Food Service	225,934	-100,646
Interest and Fiscal Changes	69,600	-69,600
Pension Change	-	-
OPEB Expense	-	-
Total	\$ 4,786,987	\$ -3,764,261

- The cost of all governmental activities this year was \$4,786,987.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$725,597.
- Most of the District's costs were financed by District and State taxpayers for a total of \$3,331,234.
- This portion of governmental activities was financed with \$561,498 in property taxes, \$2,769,736 in state aid (equalization) based on the statewide formula for per pupil funding, and \$89,583 in investment earnings and other miscellaneous revenues, \$164,946 not pertaining specifically to a program.

Business-type Activities

Business-type activities are no longer reported separately since the Food Service fund changed from an Enterprise Fund to a Special Revenue Fund as of July 1, 2014. Lunch prices increased in the 2012-13 school year. Beginning in the 2020-21 school year and extending through 2023-24, the District received waivers from USDA allowing all students to receive free meals through the Summer Foods Service Program and Seamless Summer Option Program. In future years, lunch prices and other charges may be adjusted to continue to meet expected costs.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 5. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$4,558,769 and expenditures of \$4,337,307. The net change in governmental fund balances for the year was most significant after transferring 88,195 to food service and 60,983 to pupil activity.

General Fund Budgetary Highlights

The actual expenditures were \$381,470 below budget, primarily because the District budgeted \$4,204,097 from fund balance for unplanned expenditures (contingency). The District did not spend any of the contingency on the assets purchased. The fund balance as of June 30, 2024 (budgetary basis) was \$3,531,267, compared to \$2,733,933 as of June 30, 2023, including \$128,800, and \$117,000 respectively, for TABOR Amendment emergency reserves.

Capital Assets

By the end of the fiscal year 2024, the District had invested \$12,310,955 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6.)

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 488,022	\$ 488,022	-	\$ -	\$ 488,022	\$ 488,022
Building	6,229,500	6,636,425	-	-	6,229,500	6,636,425
Vehicles	3,685	5,533	-	-	3,685	5,533
Equipment	448,834	391,857	-	-	448,834	391,857
Work in Progress	-	-	-	-	-	-
Total	\$ 7,170,041	\$ 7,521,837	\$ -	\$ -	\$ 7,170,041	\$ 7,521,837

Table 7
Changes in Long-Term Debt

Equipment Lease Purchase Series 2020	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
	\$ 1,790,336	-	\$ 75,614	\$ 1,714,722
Totals	\$ 1,790,336	\$ -	\$ 75,614	\$ 1,714,722

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Information from the 2023-2024 student enrollment "October count" shows that Prowers County School District RE-1 had a few more students than last year. The Stabilization factor resulted in an increase in revenue from the funded pupil count.

- Based on previous enrollment data, our projections for student enrollment for fall 2024 will show District enrollment remaining steady.
- The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues may be adversely impacted. If the District revenues are reduced, the District will be required to reduce its future expenditures. The district implemented a reduction in force in the 2011-12 year to offset the decline in revenues.
- During the 2014-15 school year, the State replaced the Transitional Colorado Assessment Program (TCAP) with the Partnership for Assessment of Readiness for College and Careers (PARCC). The PARCC tests were given to assess Math and Reading in grades three through nine until 2017-18 when they began including grades three through eight. Colorado Measures of Academic Success (CMAS) tests assess Science in fifth or eighth or eleventh grades and Social Studies in fourth or seventh grades. Twelfth grade is no longer tested in Science and Social Studies. In the 2015-16 school year, the District began administering the PSAT test to sophomores, then included the freshmen in 2017-18. Juniors now take the ACT and SAT tests. Schools receiving a priority improvement or turn-around status for three straight years face takeover by the State and conversion to a charter school. The Colorado Department of Education determined that the Prowers County School District RE-1 is meeting the intent of the requirements, as set forth in Colorado State Board of Education Rules 2202-R-0.00 through 4.02 (5), and continues to be fully accredited.
- The district, experienced a significant change with the implementation of GASB 68 in the 2014-15 school year, which required the disclosure of the PERA (Public Employees' Retirement Association) pension obligation. In 2017-18 the district was required to disclose the OPEB (Other Post-Employment Benefits) liabilities.
- In the 2014-15 school year, the Food Service Fund changed from an Enterprise Fund to a Special Revenue Fund. The district-wide financial statement no longer offers a good comparative, because there is a significant difference in the Governmental Activities due the Food Service Fund no longer being reflected as a Business Type Activity.
- The Granada RE-1 School was awarded the Best Grant in the amount of \$5,600,000.00 in 2020. The funds were used to install a generator, replace HVAC units, windows, LED light fixtures, interior doors; and upgrade plumbing and bathroom fixtures. The District acquired a lease purchase agreement in the amount of \$2,000,000.00 in order to pay the matching portion of the Best Grant. During the summer of 2021, grant funds were used to install new flooring in the common rooms and hallways.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager, Prowers County School District RE-1, P.O. Box 259, Granada, CO 81041.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

STATEMENT OF NET POSITION
PROWERS COUNTY SCHOOL DISTRICT RE-1
June 30, 2024

		Governmental Activities
<u>Assets</u>		
Cash and investments	\$	3,414,963
Receivables		600,995
Inventories		7,539
Capital Assets		
Non-depreciable		488,022
Depreciable - net		6,682,019
	Total Assets	<u>11,193,538</u>
<u>Deferred Outflow of Resources</u>		
Related to pensions		1,400,807
Related to OPEB		20,607
	Total Deferred Outflows of Resources	<u>1,421,414</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities		92,145
Accrued salaries		298,393
Unearned revenue		35,275
Long-Term Liabilities		
Due within one year		78,631
Due in more than one year		1,636,091
Net OPEB liability		113,131
Net pension liability		4,685,051
	Total Liabilities	<u>6,938,717</u>
<u>Deferred Inflow of Resources</u>		
Related to pensions		191,247
Related to OBEB		36,333
	Total Deferred Inflows of Resources	<u>227,580</u>
<u>Net Position</u>		
Investment in capital assets, net of related debt		5,455,319
Restricted		144,092
Unrestricted		(150,756)
	Total Net Position	<u>\$ 5,448,655</u>

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

STATEMENT OF ACTIVITIES
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2024

Functions/Programs	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Instructional services	\$ 2,702,564	\$ 295,683	\$ 430,299	\$ -	\$ (1,976,582)
Supporting services	2,014,823	1,446	295,298	-	(1,718,079)
Interest expense, unallocated	69,600	-	-	-	(69,600)
Total Governmental Activities	4,786,987	297,129	725,597	-	(3,764,261)
General Revenues					
Local property taxes					\$ 486,458
Specific ownership taxes					75,040
School finance act					2,769,736
Earnings on investments					89,583
Other revenues					164,946
			Total General Revenues		3,585,763
Changes in Net Position					(178,498)
Net Position - July 1 - Restated					5,627,153
Net Position - June 30					\$ 5,448,655

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

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
PROWERS COUNTY SCHOOL DISTRICT RE-1
June 30, 2024

	<u>Non-Major</u>			Total Governmental Funds
	General Fund	Food Service Fund	Pupil Activity Fund	
<u>Assets</u>				
Cash and investments	\$ 3,324,508	\$ 26,339	\$ 64,116	\$ 3,414,963
Accounts and other receivables	600,536	459	-	600,995
Due from other funds	6,267	-	2,390	8,657
Inventories	-	7,539	-	7,539
Total Assets	<u>3,931,311</u>	<u>34,337</u>	<u>66,506</u>	<u>4,032,154</u>
<u>Liabilities</u>				
Accounts payable	57,054	-	7,162	64,216
Accrued salaries and benefits	280,470	17,923	-	298,393
Due to other funds	2,390	6,267	-	8,657
Unearned revenue	34,130	1,145	-	35,275
Total Liabilities	<u>374,044</u>	<u>25,335</u>	<u>7,162</u>	<u>406,541</u>
<u>Deferred Inflow of Resources</u>				
Property taxes	26,000	-	-	26,000
<u>Fund Balance</u>				
Nonspendable	-	7,539	-	7,539
Restricted	142,629	1,463	-	144,092
Assigned	-	-	59,344	59,344
Unassigned	3,388,638	-	-	3,388,638
Total Fund Balances	<u>\$ 3,531,267</u>	<u>\$ 9,002</u>	<u>\$ 59,344</u>	<u>\$ 3,599,613</u>

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

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
PROWERS COUNTY SCHOOL DISTRICT RE-1
June 30, 2024

Total Fund Balances - Governmental Fund		\$	3,599,613
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			7,170,041
Revenues, such as property taxes, not available to pay for current period expenditures and are therefore shown as deferred inflows in the governmental funds but recorded as general revenues in the statement of net position.			26,000
<p>Deferred inflows and outflows of resources represent an acquisition or consumption of net position that applies to future periods and are therefore not reported in the governmental funds:</p>			
Deferred outflows - OPEB related amounts	\$	20,607	
Deferred outflows - pension related amounts		1,400,807	
Deferred inflows - OPEB related amounts		(36,333)	
Deferred inflows - pension related amounts		<u>(191,247)</u>	1,193,834
<p>Long-term liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the governmental funds:</p>			
Financed leases		(1,744,486)	
Accrued interest		1,835	
Net OPEB obligation		(113,131)	
Net pension obligation		<u>(4,685,051)</u>	<u>(6,540,833)</u>
Total Net Position - Governmental Activities		\$	<u>5,448,655</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

PROWERS COUNTY SCHOOL DISTRICT RE-1

June 30, 2024

	General Fund	Non-Major		Total Governmental Funds
		Food Service Fund	Pupil Activity Fund	
Revenues				
Local property tax	\$ 468,738	\$ -	\$ -	\$ 468,738
Specific ownership tax	75,040	-	-	75,040
State sources	2,970,119	926	-	2,971,045
Federal sources	401,372	122,916	-	524,288
Other sources	323,968	1,446	194,244	519,658
Total Revenues	<u>4,239,237</u>	<u>125,288</u>	<u>194,244</u>	<u>4,558,769</u>
Expenditures				
Instructional services	2,293,867	-	297,982	2,591,849
Student support	71,607	-	-	71,607
Staff support	83,517	-	-	83,517
General administration	260,237	-	-	260,237
School administration	53,329	-	-	53,329
Operations & maintenance of facilities	631,280	-	-	631,280
Transportation	128,435	-	-	128,435
Central services	69,026	-	-	69,026
Other services	45,956	-	-	45,956
Food services	-	216,698	-	216,698
Capital outlay	38,324	-	-	38,324
Debt service:				
Principal retirement	78,632	-	-	78,632
Interest and fiscal charges	68,417	-	-	68,417
Total Expenditures	<u>3,822,627</u>	<u>216,698</u>	<u>297,982</u>	<u>4,337,307</u>
Excess of Revenues Over (Under) Expenditures	<u>416,610</u>	<u>(91,410)</u>	<u>(103,738)</u>	<u>221,462</u>
Other Financing Sources (Uses)				
Transfers to other funds	(88,195)	-	-	(88,195)
Transfers from other funds	-	88,195	-	88,195
Total Other Financing Sources	<u>(88,195)</u>	<u>88,195</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	328,415	(3,215)	(103,738)	221,462
Fund Balances - July 1 - Restated	<u>3,202,852</u>	<u>12,217</u>	<u>163,082</u>	<u>3,378,151</u>
Fund Balances - June 30	<u>\$ 3,531,267</u>	<u>\$ 9,002</u>	<u>\$ 59,344</u>	<u>\$ 3,599,613</u>

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

RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2024

Total Change in Fund Balances - Governmental Funds	\$	221,462
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	\$ 38,324	
Depreciation expense	<u>(422,120)</u>	(383,796)
<p>In the government-wide statements, basis in capital assets that have been sold reduces income. In governmental funds the basis is not recognized.</p>		
		32,000
<p>Revenue not available to pay for current period expenditures are not recognized as revenue in the governmental funds.</p>		
Property taxes		17,720
<p>The issuance of long-term obligations provide current financial resources to the governmental funds, while repayment of the principal of long-term obligations consumes the current financial resources of the governmental funds. The net effect of these differences in the treatment of long-term obligations and related items.</p>		
Principal payments on long-term obligations	75,614	
Change in accrued interest	<u>1,835</u>	77,449
<p>In the statement of activities, certain operating expenses - compensated absences (sick and vacation), pension benefits, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences, pension and OPEB amounts on the statement of activities.</p>		
Pension expense	(163,793)	
OPEB income	<u>20,460</u>	<u>(143,333)</u>
Total Change in Net Position - Governmental Activities	\$	<u>(178,498)</u>

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

NOTES TO FINANCIAL STATEMENTS

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Prowers County School District RE-1, (the District) conform to generally accepted accounting principles, as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The District's more significant accounting policies are described below.

Reporting Entity

Prowers County School District RE-1 operates under an elected Board of Education with six members. The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Prowers County School District RE-1. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and as subsequently amended.

Based upon the application of these criteria, no additional organizations are included within the District's reporting entity.

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major governmental funds (General Fund) as well as non-major special revenue funds (Food Service and Pupil Activity Funds) are reported as separate columns in the fund financial statements.

Reconciliation of Government-Wide and Fund Financial Statements

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District has no proprietary funds.

Fund Accounting

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

The focus of the governmental fund types measurement is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the major and nonmajor governmental fund types of the School District:

General Fund

The General Fund, a major fund, records financial transactions for the current educational operations of the School District. All revenues and expenditures not allocated by law or contractual agreement to a special fund are accounted for in this fund. Activities relating to the Preschool have been included in the General Fund.

Special Revenue Funds

Special Revenue Funds are funds used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. The Special Revenue Funds consist of the Pupil Activity Fund and the Food Service Fund. Both funds are non-major funds.

The Food Service Fund is used to account for the revenue and expenses related to providing breakfast, lunch and snacks to District students. Revenues include federal and state grants and food sales.

The Pupil Activity Fund accounts for funds related to school sponsored organizations and activities.

Cash and Investments

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

The District's policy is to state investments at their fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

All investment income, including changes in fair value of investments are reported as investment income in the District's financial statements. Cash and investments are subject to Colorado State Statutes as described in Note 3.

Inventories

Purchased inventories of the Food Service Fund are stated at cost using the first-in, first-out method of determining inventories on hand. Commodity inventories in the Food Service Fund are stated at their fair market value on the date received. Perpetual inventory records are maintained for food service inventories. Physical counts were made of all inventories as of June 30, 2024. Inventories were adjusted to reflect the amounts determined by physical count.

Capital Assets

All capital assets are capitalized at cost or estimated historical cost. Donated assets are recorded at fair market value at the time of donation. The costs of normal maintenance, repairs and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. The proceeds from the sale of assets used in the operations of the governmental fund types are recorded as revenues in the appropriate fund. The School District does not capitalize interest on the construction of capital assets. The School District maintains a capitalization threshold of \$5,000.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Depreciation is recorded starting in the month the asset is placed in service.

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Estimated useful lives are as follows:

	<u>ESTIMATED USEFUL LIFE</u>
Buildings and improvements	20-50 years
Furniture and fixtures	5-20 years
Automotive equipment	5-10 years

Accounting Principles - Leases

In June 2017, The GASB issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this standard, a lease is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. The District currently has no arrangements that require application of this standard.

Accounting Principles - SBITA

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). This standard requires the recognition of a right-to-use subscription, an intangible asset, and a corresponding liability. A subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at present value of subscription payments expected to be made during the subscription term. Future payments are discounted using the interest rate that the SBITA vendor charges the government, which may be implicit, or the County's incremental borrowing rate if the interest rate is not readily determinable. Amortization of the discount is recognized as an outflow of resources in subsequent reporting periods. The asset is measured as the sum of the initial liability, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Amortization of the asset is recognized as an outflow of resources over the subscription term. The District currently has no arrangements that require application of this standard.

Unearned Revenue

Unearned revenue in the government-wide and the fund financial statements consists primarily of unearned tuition, fees, and grants.

Accounts Payable

Accounts payable represent obligations due to vendors for goods delivered or services rendered prior to June 30, 2024.

Property Taxes

The School District's ad valorem property tax is levied by each December 15 for all real and business personal property located in the District. The assessed value of the roll on January 1, 2024, upon which the levy for the 2024 fiscal year was based, was \$17,688,577.

The tax rates assessed for the year ended June 30, 2024 to finance general fund operations was \$27.000 per \$1,000 valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are payable in two equal payments due before the last day of February and the 15th day of June or in one full payment before the last day of April.

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and/or balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net assets by the District that is applicable to future reporting periods. Both deferred inflow and deferred outflows are reported in the statement of net position but are not reported as revenue or expenditures until the period(s) to which they relate.

The District reports deferred outflows for amounts related to pensions and OPEB. The pension and OPEB amounts consist of several components and are more fully described in Notes 10 and 12. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the refunding debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

The District reports deferred inflows for the amounts related to pensions and OPEB. The pension and OPEB amounts consist of several components and are more fully described in Notes 10 and 12.

Deferred inflows related to leases have been recorded as of June 30, 2024, which is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods.

Compensated Absences

The Board shall provide employees sick leave for 10 days each year. The District also provides 2 personal days each year. These absences are not paid out at separation of service and therefore are not accrued on the financial statements.

Budgets and Budgetary Data

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

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

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning of July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year until there are no unfunded actuarial accrued liabilities of any division of PERA that receives direct distribution. House Bill 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year. In accordance with C.R.S. §24-51-414, the direct distribution payment from the State of Colorado recommences annually starting July 1, 2021. The on-behalf payments of \$7,827 were made for the District by the State of Colorado have been recorded in the fund financial statements.

Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Budget Amounts

The District had two special revenue fund in which expenditures exceeded budgeted amounts. These circumstances may constitute a violation of Colorado Local Government Budget Law.

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Food Service Fund	\$ 216,698	\$ 195,197	\$ 21,501
Pupil Activity Fund	\$ 297,982	\$ 210,000	\$ 87,982

Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disaster. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage during the fiscal year.

NOTE 3 - CASH AND INVESTMENTS

Deposits

Colorado State statutes govern the School District's deposits of cash. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal insurance (FDIC or FSLIC) on deposits held.

Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool. At June 30, 2024, the District had deposits over \$250,000 in the amount of \$2,681,647. These deposits are required to be collateralized under State Statutes.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for custodial risk parallels Colorado statutes.

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 3 – CASH AND INVESTMENTS (Continued)

A summary of cash and deposits held at year end follows:

<u>Cash and Deposits</u>	<u>Carrying Amount</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Deposits			
Cash	\$ 793,921	\$ 793,921	\$ -
Cash held by County Treasurer	8,089	8,089	-
Investments			
Certificates of Deposit	2,399,377	2,399,377	-
Money market	213,576	213,576	-
Total Deposits	<u>\$ 3,414,963</u>	<u>\$ 3,414,963</u>	<u>\$ -</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

The District has invested funds in certificates of deposit and money market accounts in local banks.

The District categorizes its fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or 3 inputs.

- Certificates of deposit and money market accounts are valued on quoted market prices (Level 1 inputs).

Interest rate risk - The District's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from the date of purchase unless the governing body authorizes a longer period.

Credit risk - The District does not have a policy that would further limit its choices beyond the requirements of Colorado statutes.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2024 consisted of taxes, accounts (rents and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables follows:

General Fund			
Property taxes	\$	71,329	
Grants		470,639	
Accounts receivable - other		<u>58,568</u>	\$ 600,536
Non-major Funds			
Food Service - meals			459
Pupil Activity			-
Total Receivables			<u>\$ 600,995</u>

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

A summary of the interfund receivables and payables at June 30, 2024 as reported in the balance sheet for government funds follows:

		<u>Due From Other Funds</u>		<u>Due To Other Funds</u>
General Fund	\$	6,267	\$	2,390
Food Service Fund		-		6,267
Pupil Activity Fund		2,390		-
Totals All Funds	\$	8,657	\$	8,657

The due from other funds and due to other funds are the result of miscellaneous reimbursements.

Transfers and allocations are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the fiscal year ending June 30, 2024 consisted of transfers to the food service fund from the general fund in the amount of \$88,195.

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
<u>Governmental Activities</u>				
Non-Depreciable Assets:				
Land	\$ 488,022	\$ -	\$ -	\$ 488,022
Construction in Progress	-	-	-	-
Total Non-Depreciable Assets	488,022	-	-	488,022
Depreciable Assets:				
Buildings & Improvements	9,846,474	-	-	9,846,474
Transportation Equipment	762,091	-	-	762,091
Equipment	1,214,368	70,324	32,303	1,252,389
Total Depreciable Assets	11,822,933	70,324	32,303	11,860,954
Less Accumulated Depreciation for:				
Building & Improvements	3,210,049	406,925	-	3,616,974
Transportation Equipment	756,558	1,848	-	758,406
Equipment	822,511	13,347	32,303	803,555
Total Accumulated Depreciation	4,789,118	422,120	32,303	5,178,935
Total Capital Assets, Net	\$ 7,521,837	(\$ 351,796)	\$ -	\$ 7,170,041

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

Governmental Activities:	
Transportation	\$ 1,848
Custodial and maintenance	419,645
Other support services	627
Total Depreciation Expense – Governmental Activities	\$ 422,120

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 7 - ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine months. Accrued benefits represents the School District's 21.4% contribution to P.E.R.A. on the accrued salaries. The salaries and benefits earned, but unpaid, as of June 30, 2024, are \$298,393 and will be paid during the 2024-2025 fiscal year. Accordingly, the accrued salaries are reflected as a liability in the accompanying financial statements.

NOTE 8 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the District were as follows:

	<u>July 1, 2023</u>		<u>Additions</u>		<u>Retirements</u>		<u>June 30, 2024</u>		<u>Current Portion</u>
Equipment Lease									
Purchase – Series 2020	\$ 1,790,336	\$	-	\$	75,614	\$	1,714,722	\$	78,631

Financed Lease

The District entered into a financed lease arrangement for \$2,000,000 with GN Bank in the year ended June 30, 2019 as part of a capital project for various school improvements. The lease requires twenty annual payments of \$147,049, which includes interest at an annual rate of 3.99%.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 78,631	\$ 68,418	\$ 147,049
2026	81,769	65,280	147,049
2027	85,031	62,018	147,049
2028	88,424	58,625	147,049
2029	91,952	55,097	147,049
2030-2034	517,813	217,432	735,245
2035-2039	629,695	105,550	735,245
2040	141,407	5,642	147,049
Total	<u>\$ 1,714,722</u>	<u>\$ 638,062</u>	<u>\$ 2,352,784</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Tax, Revenue, Spending and Debt Limitation

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992, which for the District was the year ended June 30, 1994. On November 4, 1997, the registered voters approved a ballot resolution authorizing Prowers County School District RE-1 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased, or any new tax be imposed. The amendment is complex and subject to judicial interpretation. The District has made certain interpretations of the amendment's language in order to determine its compliance. The District believes it is in compliance with the tax raising, revenue, spending, debt and other limitations.

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies establish an "emergency reserve". To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended June 30, 2024, the School District's reserve requirement was approximately \$128,800 which represents 3% of fiscal year spending. The District has recognized the emergency reserve in the General Fund.

Federal and State Grants

Federal and State grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes these adjustments, if any, will not materially affect the District's results of operations or financial position.

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

Economic Dependency

Funding provided by the State to all public school systems in Colorado is primarily based upon the October 1 student count. The State provided \$2,769,736, which represents approximately 61% of the District's total governmental fund revenues for the year.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

Prowers County School District RE-1 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description

Eligible employees of the Prowers County School District RE-1 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA.

Plan Description (Continued)

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive financial report (ACRF) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023

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

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided as of December 31, 2023 (Continued)

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

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

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

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

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

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

Contributions Provisions as of June 30, 2024

Eligible employees of Prowers County School District RE-1 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. §24-51-401, *et seq.* and §24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below.

	<u>July 1, 2023 Through June 30, 2024</u>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. §24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. §24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. §24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Contributions Provisions as of June 30, 2024 (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Prowers County School District RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Prowers County School District RE-1 were \$356,973 for the year ended June 30, 2024.

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

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

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) 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 TPL to December 31, 2023.

The Prowers County School District RE-1 proportion of the net pension liability was based on Prowers County School District RE-1 contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the Prowers County School District RE-1 reported a liability of \$4,685,051 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonmember contributing entity. The amount recognized by the Prowers County School District RE-1 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Prowers County School District RE-1 were as follows:

The District's proportionate share of the net pension liability	\$	4,685,051
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		102,729
Total	\$	4,787,780

At December 31, 2023, the Prowers County School District RE-1 proportion was .0264954084%, which was a increase of .0060340748% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Prowers County School District RE-1 recognized pension expense of \$163,794 and revenue of \$7,827 for support from the State as a nonemployer contributing entity.

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2024, the Prowers County School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 222,172	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	335,863	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	644,638	(191,247)
Contributions subsequent to the measurement date	198,134	-
Total	\$ 1,400,807	\$ (191,247)

\$198,134 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	\$ (25,534)
2026	437,122
2027	374,190
2028	158,475
2029	67,173
	\$ 1,011,426

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of the 2020 experience analysis, dated October 28, 2020 for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

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

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

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessment. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessment. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Prowers County School District RE-1 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 6,265,019	\$ 4,685,051	\$ 3,367,997

Pension Plan Fiduciary Net Position

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

NOTE 11 – DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

Employees of the Prowers County School District RE-1 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees.

PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2024 program members contributed \$12,052 for the PERAPlus401(k) Plan.

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

DPS Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Prowers County School District RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Prowers County School District RE-1 were \$17,866 for the year ended June 30, 2024.

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

At June 30, 2024, the Prowers County School District RE-1 reported a liability of \$113,131 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) 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 TOL to December 31, 2023.

The Prowers County School District RE-1 proportion of the net OPEB liability was based on Prowers County School District RE-1 contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Prowers County School District RE-1 proportion was 0.0158507588%, which was an increase of 0.0003022839% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Prowers County School District RE-1 recognized OPEB income of \$20,460. At June 30, 2024, the Prowers County School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (23,187)
Changes of assumptions or other inputs	1,330	(11,997)
Net difference between projected and actual earnings on OPEB plan investments	3,542	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,819	(1,149)
Contributions subsequent to the measurement date	9,916	-
Total	\$ 20,607	\$ (36,333)

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

\$9,916 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,		
2025	\$	(12,583)
2026		(6,945)
2027		(3,323)
2028		(2,057)
2029		(406)
2030		(328)
	<u>\$</u>	<u>(25,642)</u>

Actuarial Assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation:				
Members other than Safety Officers	3.30%-10.90%	3.4%-11.00%	3.2%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			7.00% in 2023, gradually decreasing to 4.50% in 2033	
Medicare Part A premiums			3.50% in 2023, gradually increasing to 4.5% in 2035	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

		<u>Age-Related Morbidity Assumptions</u>					
<u>Participant</u>		<u>Annual Increase</u>		<u>Annual Increase</u>			
<u>Age</u>		<u>(Male)</u>		<u>(Female)</u>			
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%			
85 and older		0.0%		0.0%			

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

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

The 2023 Medicare Part A premium is \$506 (actual dollars) per month.

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

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2022 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022 actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experienced by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022 valuation 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. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term 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:

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

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

Sensitivity of the Prowers County School District RE-1 Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate*	5.75%	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	\$ 109,884	\$ 113,131	\$ 116,663

*For the January 1, 2024 plan year

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Discount Rate (Continued)

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

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

Sensitivity of the Prowers County School District RE-1 Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Current Discount</u> <u>Rate (7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ 133,622	\$ 113,131	\$ 95,601

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 13 – NET POSITION AND FUND BALANCES

Government-Wide Net Assets

Government-wide and proprietary fund net positions are divided into three components:

- Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consist of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

Governmental Fund Balances

The District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definition.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- Restricted fund balance - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- Committed fund balance - The portion of fund balance constrained for specific purposes according to limitations imposed by the District’s highest level of decision making authority, the Board of Education, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Education.
- Assigned fund balance - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Education or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor Fund</u>	<u>Total Government Funds</u>
Nonspendable				
Inventory	\$ -	\$ 7,539	\$ -	\$ 7,539
Restricted				
Emergencies	128,800	-	-	128,800
Preschool	13,829	-	-	13,829
Food Service	-	1,463	-	1,463
Assigned				
Pupil Activity	-	-	59,344	59,344
Unassigned				
General Government	3,388,638	-	-	3,388,638
Total Fund Balances	<u>\$ 3,531,267</u>	<u>\$ 9,002</u>	<u>\$ 59,344</u>	<u>\$ 3,599,613</u>

PROWERS COUNTY SCHOOL DISTRICT RE-1
 NOTES TO FINANCIAL STATEMENTS
 For the year ended June 30, 2024

NOTE 14 - COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of general liability, errors and omissions, automobile liability, auto physical damage, auto personal injury protection, real and personal property, crime, workers' compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the executive director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as expenditures in the General Fund.

NOTE 15 - JOINT VENTURES

The School District is a participant with other school districts in a joint venture known as South Eastern Board of Cooperative Educational Services (Cooperative). The Cooperative is organized under provisions of Colorado law to provide special education services to member school districts in the Cooperative's general area. The member school districts provided approximately 16% of the Cooperative's total annual local resources and each member district appoints a member of its Board of Education to serve on the governing body of the Cooperative.

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and a copy of the audit report is filed with the Colorado State Auditor's Office. Complete financial statements for the Cooperative can be obtained from their administrative office at 7784 Saddle Club Dr., Lamar, Colorado, 81052.

NOTE 16 – RESTATEMENT OF NET POSITION AND FUND BALANCE

At June 30, 2023, deferred grant revenues required restatement. The following adjustment was required to restate beginning net position and fund balances:

	<u>Net Position</u>	<u>General Fund</u>
Balance as previously stated	\$ 5,158,234	\$ 2,733,933
Changes in deferred grant revenue	468,919	468,919
Balances as restated	\$ 5,627,153	\$ 3,202,852

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGET BASIS)

GENERAL FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2024

	<u>Budgeted Amount</u>			Variance With Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Local property tax	\$ 461,349	\$ 461,349	\$ 468,738	\$ 7,389
Specific ownership tax	68,115	68,115	75,040	6,925
State sources	2,883,356	2,883,356	2,970,119	86,763
Federal sources	901,043	901,043	401,372	(499,671)
Other sources	316,390	316,390	323,968	7,578
Total Revenues	<u>4,630,253</u>	<u>4,630,253</u>	<u>4,239,237</u>	<u>(391,016)</u>
Expenditures				
Instructional service	2,795,573	2,795,573	2,293,867	501,706
Student support	77,596	77,596	71,607	5,989
Staff support	83,028	83,028	83,517	(489)
General administration	238,600	238,600	260,237	(21,637)
School administration	54,278	54,278	53,329	949
Operations & maintenance of facilities	495,901	495,901	631,280	(135,379)
Transportation	165,203	165,203	128,435	36,768
Central services	68,913	68,913	69,026	(113)
Other services	45,956	45,956	45,956	-
Capital outlay	32,000	32,000	38,324	(6,324)
Debt service - principal	78,632	78,632	78,632	-
Debt service - interest	68,417	68,417	68,417	-
Total Expenditures	<u>4,204,097</u>	<u>4,204,097</u>	<u>3,822,627</u>	<u>381,470</u>
Excess of Revenues Over (Under) Expenditures	<u>426,156</u>	<u>426,156</u>	<u>416,610</u>	<u>(9,546)</u>
Other Financing Sources (Uses)				
Transfers to other funds	(149,178)	(149,178)	(88,195)	60,983
Total Other Financing Sources (Uses)	<u>(149,178)</u>	<u>(149,178)</u>	<u>(88,195)</u>	<u>60,983</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>276,978</u>	<u>276,978</u>	<u>328,415</u>	<u>51,437</u>
Fund Balances - July 1 - Restated	<u>-</u>	<u>-</u>	<u>3,202,852</u>	<u>3,202,852</u>
Fund Balances - June 30	<u>\$ 276,978</u>	<u>\$ 276,978</u>	<u>\$ 3,531,267</u>	<u>\$ 3,254,289</u>

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE -
SCHOOL DIVISION TRUST FUND
PROWERS COUNTY SCHOOL DISTRICT RE-1
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Primary Government					
School's proportion (percentage) of the of the net pension liability	0.0265%	0.0205%	0.0227%	0.0259%	0.0228%
School's proportionate share of the net pension liability	\$ 4,685,051	\$ 3,725,899	\$ 2,645,132	\$ 3,914,898	\$ 3,413,430
School's covered payroll	\$ 1,751,585	\$ 1,660,384	\$ 1,494,246	\$ 1,367,138	\$ 1,387,027
School's proportionate share of the net pension liability as a percentage of covered payroll	267.47%	224.40%	177.02%	286.36%	246.10%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary Government					
School's proportion (percentage) of the of the net pension liability	0.0231%	0.0277%	0.0289%	0.0295%	0.0326%
School's proportionate share of the net pension liability	\$ 4,089,189	\$ 8,945,539	\$ 8,598,024	\$ 4,510,600	\$ 4,218,248
School's covered payroll	\$ 1,291,982	\$ 1,208,658	\$ 1,300,958	\$ 1,288,102	\$ 1,292,632
School's proportionate share of the net pension liability as a percentage of covered payroll	316.51%	740.12%	660.90%	350.17%	326.33%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.20%	62.80%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - SCHOOL DIVISION TRUST FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Primary Government					
Statutorily required contributions	\$ 356,973	\$ 338,386	\$ 297,056	\$ 271,787	\$ 268,806
Contributions in relation to the statutorily required contributions	<u>356,973</u>	<u>338,386</u>	<u>297,056</u>	<u>271,787</u>	<u>268,806</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,751,585	\$ 1,660,384	\$ 1,494,246	\$ 1,367,138	\$ 1,387,027
Contribution as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary Government					
Statutorily required contributions	\$ 247,156	\$ 228,268	\$ 239,202	\$ 228,519	\$ 231,459
Contributions in relation to the statutorily required contributions	<u>247,156</u>	<u>228,268</u>	<u>239,202</u>	<u>228,519</u>	<u>231,459</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,291,982	\$ 1,208,658	\$ 1,300,958	\$ 1,288,102	\$ 1,292,632
Contribution as a percentage of covered payroll	19.13%	18.89%	18.39%	17.74%	17.91%

The amounts presented for each fiscal year were determined as of June 30.

The schedule is presented to show information for ten years.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE -
HEALTH CARE TRUST FUND
PROWERS SCHOOL DISTRICT RE-1
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Primary Government					
School's proportion (percentage) of the net OPEB liability	0.0159%	0.0155%	0.0148%	0.0150%	0.0149%
School's proportionate share of the net OPEB liability	\$ 113,131	\$ 126,950	\$ 127,972	\$ 142,359	\$ 167,836
School's covered payroll	\$ 1,751,585	\$ 1,660,384	\$ 1,494,246	\$ 1,367,138	\$ 1,387,027
School's proportionate share of the net OPEB liability as a percentage of covered payroll	6.46%	7.65%	8.56%	10.41%	12.10%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Primary Government			
School's proportion (percentage) of the net OPEB liability	0.0150%	0.0157%	0.0164%
School's proportionate share of the net OPEB liability	\$ 204,230	\$ 204,278	\$ 212,819
School's covered payroll	\$ 1,291,982	\$ 1,208,658	\$ 1,300,958
School's proportionate share of the net OPEB liability as a percentage of covered payroll	15.81%	16.90%	16.36%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the years it is available.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - HEALTH CARE TRUST FUND
PROWERS COUNTY SCHOOL DISTRICT RE-1
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Primary Government					
Statutorily required contributions	\$ 17,866	\$ 16,936	\$ 15,241	\$ 13,945	\$ 14,148
Contributions in relation to the statutorily required contributions	<u>17,866</u>	<u>16,936</u>	<u>15,241</u>	<u>13,945</u>	<u>14,148</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,751,585	\$ 1,660,384	\$ 1,494,246	\$ 1,367,138	\$ 1,387,027
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Primary Government					
Statutorily required contributions	\$ 13,178	\$ 12,328	\$ 13,270		
Contributions in relation to the statutorily required contributions	<u>13,178</u>	<u>12,328</u>	<u>13,270</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 1,291,982	\$ 1,208,658	\$ 1,300,958		
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%		

The amounts presented for each fiscal year were determined as of June 30.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

OTHER SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES EXPENSES AND CHANGE IN NET ASSETS

BUDGET AND ACTUAL (BUDGET BASIS)

FOOD SERVICE FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2024

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 64,000	\$ 64,000	\$ 122,916	\$ 58,916
State sources	-	-	926	926
Local sources	<u>34,300</u>	<u>34,300</u>	<u>1,446</u>	<u>(32,854)</u>
Total Revenues	<u>98,300</u>	<u>98,300</u>	<u>125,288</u>	<u>26,988</u>
Expenditures				
Salaries	78,410	78,410	68,447	9,963
Fringe benefits	45,487	45,487	43,566	1,921
Purchased services	300	300	-	300
Supplies	71,000	71,000	104,685	(33,685)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>195,197</u>	<u>195,197</u>	<u>216,698</u>	<u>(21,501)</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,897)</u>	<u>(96,897)</u>	<u>(91,410)</u>	<u>5,487</u>
Other Financing Sources (Uses)				
Transfers from other funds	<u>88,195</u>	<u>88,195</u>	<u>88,195</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(8,702)</u>	<u>(8,702)</u>	<u>(3,215)</u>	<u>5,487</u>
Fund Balances - July 1	<u>-</u>	<u>-</u>	<u>12,217</u>	<u>12,217</u>
Fund Balances - June 30	<u>\$ (8,702)</u>	<u>\$ (8,702)</u>	<u>\$ 9,002</u>	<u>\$ 17,704</u>

STATEMENT OF REVENUES EXPENSES AND CHANGE IN NET ASSETS

BUDGET AND ACTUAL (BUDGET BASIS)

PUPIL ACTIVITY FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2024

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	<u>160,000</u>	<u>160,000</u>	<u>194,244</u>	<u>34,244</u>
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>194,244</u>	<u>34,244</u>
Expenditures				
Salaries	-	-	-	-
Fringe benefits	-	-	-	-
Purchased services	34,000	34,000	65,602	(31,602)
Supplies	106,000	106,000	176,646	(70,646)
Capital outlay	-	-	-	-
Travel	70,000	70,000	55,734	14,266
Contingency	-	-	-	-
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>297,982</u>	<u>(87,982)</u>
Excess of Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>(103,738)</u>	<u>(53,738)</u>
Other Financing Sources (Uses)				
Transfers from other funds	<u>60,983</u>	<u>60,983</u>	<u>-</u>	<u>(60,983)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>10,983</u>	<u>10,983</u>	<u>(103,738)</u>	<u>(114,721)</u>
Fund Balances - July 1	<u>-</u>	<u>-</u>	<u>163,082</u>	<u>163,082</u>
Fund Balances - June 30	<u>\$ 10,983</u>	<u>\$ 10,983</u>	<u>\$ 59,344</u>	<u>\$ 48,361</u>

RECONCILIATION OF AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY
CHECK FIGURES TO GOVERNMENTAL FUND FINANCIAL STATEMENTS
 PROWERS COUNTY SCHOOL DISTRICT RE-1
 For the year ended June 30, 2024

	Balance Per <u>CDE</u>	<u>Rounding</u>	Balance Per Governmental Fund Financial <u>Statements</u>
<u>Total Revenues</u>	4,558,468	1	4,558,469
<u>Total Ending Fund Balance</u>	3,599,612	1	3,599,613

The accompanying notes are an integral part of this schedule.

RECONCILIATION OF AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY
CHECK FIGURES TO GOVERNMENTAL FUND FINANCIAL STATEMENTS
 PROWERS COUNTY SCHOOL DISTRICT RE-1
 For the year ended June 30, 2024

	Balance Per <u>CDE</u>	<u>Rounding</u>	Item Reclassification on Balance <u>Sheet</u>	Balance per Governmental Fund Financial <u>Statements</u>
Bolded Balance Sheet Report				
<u>Special Revenue Funds</u>				
Other payables	7,163	(1)	-	7,162
Total liabilities and deferred inflow	7,163	(1)	-	7,162
<u>Total Liabilities</u>	432,542	(1)	-	432,541
<u>Total Fund Equity</u>	3,599,612	1	-	3,599,613

The accompanying notes are an integral part of this schedule.

COLORADO SCHOOL DISTRICT AUDITOR'S ELECTRONIC

FINANCIAL DATA INTEGRITY CHECK FIGURES

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2024

	<u>Balance Per CDE</u>	<u>Balance Per District</u>	<u>Variance</u>	<u>Explanation</u>
Warnings				
Fund 10 - Fund Balance				
Formula driven beginning fund balance	\$ 3,202,852.19			
Previous years ending fund balance	\$ 2,716,222.45		\$ 486,629.74	468,919.20 - Prior period adjustments made to deferred grant revenue 17,710.54 - Reclassify preschool fund balance from fund 19 into fund 10
<u>State Transportation</u>				
Grant Code: 3160				
Receipts	\$ 17,383.63	\$ 16,820.62	\$ 563.01	563.01 - CDE receipt dated June 30, 2024, District received July-2024
<u>Small Rural Schools Additional Funding</u>				
Grant Code: 3230				
Receipts	\$ (143,131.64)	\$ 78,665.04	\$ (221,796.68)	221,796.68 - Prior period adjustment for grant funds spent
<u>ESSER II</u>				
Grant Code: 4420				
Receipts	\$ (19,782.00)	\$ 215,300.00	\$ (235,082.00)	157,963.60 - Prior period adjustment for grant funds spent 77,118.40 - Current year grant revenue reported

The accompanying notes are an integral part of this schedule.