



Kiowa County School District RE-2
Sheridan Lake, Colorado

Financial Statements

For the Year Ended
June 30, 2025

**Kiowa County School District RE-2
Table of Contents
June 30, 2025**

Report of Independent Certified Public Accountant	1
Management’s Discussion and Analysis	ii
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements:	
Balance Sheet	6
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Notes to the Financial Statements	10
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual Major Funds:	
General Fund	35
Schedule of the District’s Proportionate Share of the Net Pension Liability	36
Schedule of the District’s Proportionate Share of the Net OPEB Liability	37
Schedule of Contributions and Related Ratios – Pension	38
Schedule of Contributions and Related Ratios – OPEB	39
Supplementary Information:	
Balance Sheet – Other Governmental Funds	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds	41
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget & Actual Other Governmental Funds:	
Food Service Fund	42
Student Activity Fund	43
Capital Projects Fund	44
Auditor’s Integrity Report	45

Independent Auditor's Report

Board of Education
Kiowa County School District RE-2

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kiowa County School District RE-2 (the "District"), as of and for the year ended June 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages ii-iv and 35-39 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 the District's basic financial statements. The supplementary information on pages 40-46 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, Uc

February 12, 2026

**Management's Discussion and Analysis
Kiowa County School District RE-2
dba Plainview School District
Sheridan Lake, Colorado**

Introduction

This Management Discussion and Analysis (MD&A) presents an overview of the financial activities of Plainview School District for the fiscal year ended June 30, 2025. The purpose of this narrative is to provide readers with a clear and understandable discussion of the District's financial performance, major financial developments, and overall fiscal condition. This analysis should be read in conjunction with the District's audited financial statements and accompanying notes.

Financial Highlights

- **Positive Operating Results:** The District ended the year with an increase in overall net position, reflecting conservative budgeting and disciplined expenditure management.
- **Enrollment and Funding Stability:** Student enrollment remained relatively stable, supporting consistent state per-pupil revenue.
- **Technology and Safety Investments:** The District focused on classroom technology upgrades, building safety improvements, and deferred maintenance projects.
- **Grant Support:** Federal and state grants supported instructional programming, special education services, and professional development initiatives.

Overview of the Financial Statements

The District's basic financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-Wide Financial Statements

These statements present a long-term view of the District's financial performance using the accrual basis of accounting. They include all assets, liabilities, and activities of the District, except fiduciary activities.

Fund Financial Statements

Fund statements focus on short-term financial resources using the modified accrual basis of accounting. This presentation highlights the District's ability to finance current operations and meet short-term obligations.

Notes to the Financial Statements

The notes provide essential information about accounting policies, capital asset activity, long-term obligations, and other significant financial matters.

Financial Analysis of the District as a Whole

Summary of Net Position (Government-Wide)

	FY 2025	FY 2024
Total Assets	\$ 6,792,316	\$ 5,548,740
Total Liabilities	2,012,067	2,399,017
Net Position	\$ 4,780,249	\$ 3,149,723

Summary of Activities (Government-Wide)

	FY 2025	FY 2024
Total Revenues	\$ 3,545,904	\$ 3,348,924
Total Expenditures	1,915,378	3,196,024
Change in Net Position	\$ 1,630,526	\$ 152,900

General Fund – Budget to Actual Summary

	Final Budget	Actual	Variance
Revenues	\$ 3,120,990	\$ 3,213,061	\$ 92,071
Expenditures	1,614,425	1,511,314	103,111
Other Financing Sources (Uses)	(495,000)	(495,000)	-
Change in Net Position	\$ 1,011,565	\$ 152,900	\$ 195,182

Revenues and Expenditures

Revenues

The District's primary revenue sources include:

- State equalization funding
- Local property taxes
- Federal and state grant programs

Expenditures

Major expenditure areas include:

- Instructional services
- Special education and student support
- Transportation and operations
- Administration and school leadership

Cost drivers during the year included employee compensation increases, rising employee benefit costs, and capital expenditures.

Budgetary Highlights

The District adopted a balanced budget for the fiscal year. Budget amendments reflected updated enrollment counts, revised grant allocations, and strategic adjustments to operating expenditures. Actual results finished slightly better than budget projections.

Capital Asset and Debt Administration

Capital Assets

The District's capital assets consist primarily of school buildings, grounds, transportation equipment, and instructional technology. Major activity during the year included:

- Security system enhancements
- Network and instructional technology upgrades
- HVAC maintenance projects
- New Transportation purchases.

Long-Term Debt

Plainview School District carries no long-term obligations and does not plan on any obligations in the next 5 years.

Economic Factors and Next Year's Budget

Key factors influencing the FY26 budget include:

- Anticipated state school finance funding adjustments
- Student enrollment projections
- Inflationary pressures on utilities, transportation, and insurance
- Continued focus on staff recruitment and retention.

The District continues to monitor local economic conditions, including agricultural market trends and population shifts that affect enrollment and local tax revenue.

Conclusion

Plainview School District remains financially stable and committed to responsible stewardship of public resources. Through careful planning, strategic investments, and consistent monitoring of financial performance, the District is positioned to continue providing high-quality educational services to its students.

BASIC FINANCIAL STATEMENTS

**Kiowa County School District RE-2
Statement of Net Position
June 30, 2025**

	Governmental Activities--Total
ASSETS	
Cash and Equivalents	\$ 3,777,116
Receivables	18,231
Due from Other Governmental Agencies	34,328
Other assets	61,317
Capital Assets	4,591,324
Less: Accumulated Depreciation	(2,149,972)
Total Capital Assets	2,441,352
 DEFERRED OUTFLOWS OF RESOURCES	
Pension	455,745
Other Post Employment Benefits	4,227
TOTAL DEFERRED OUTFLOWS	459,972
Total Assets	6,792,316
 LIABILITIES	
Accounts payable and accrued expenses	187,790
Unearned Revenues	14,169
Long-term liabilities:	
Due in more than one year:	
Net Pension Liability	1,522,437
Net Post Employment Benefits Liability	29,438
Total liabilities	1,753,834
 DEFERRED INFLOWS OF RESOURCES	
Pension	242,329
Other Post Employment Benefits	15,904
TOTAL DEFERRED INFLOWS	258,233
 NET POSITION	
Net investment in capital assets	2,441,352
Restricted:	
Capital projects	242,489
TABOR	40,000
Unrestricted	2,056,408
Total net position	\$ 4,780,249

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

**Kiowa County School District RE-2
Statement of Activities
For the Year Ended June 30, 2025**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
Primary government				
Governmental Activities				
Instructional:				
Instructional	\$ 1,741,361	\$ -	\$ 175,187	\$ (1,566,174)
Pupil Services	8,798	-	-	(8,798)
Student Activities	24,327	22,470	-	(1,857)
Total Instructional	<u>1,774,486</u>	<u>22,470</u>	<u>175,187</u>	<u>(1,576,829)</u>
Support Services:				
Pupil Transportation	61,087	-	-	(61,087)
Food Service	79,805	9,492	20,977	(49,336)
Total Support Services	<u>140,892</u>	<u>9,492</u>	<u>20,977</u>	<u>(110,423)</u>
Total primary government	<u><u>1,915,378</u></u>	<u><u>31,962</u></u>	<u><u>196,164</u></u>	<u><u>(1,687,252)</u></u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				\$ 470,322
Specific ownership, general				96,946
State & federal aid not restricted to specific functions:				
State equalization/Per pupil revenue				2,277,818
Unrestricted investment earnings				94,084
Miscellaneous				90,560
Changes in PERA and OPEB assumptions				206,448
Special item - gain (loss) on disposition of assets				81,600
Total general revenues, special items, and transfers				<u>3,317,778</u>
Change in net position				1,630,526
Net position - beginning				3,149,723
Net position - ending				<u><u>\$ 4,780,249</u></u>

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

Kiowa County School District RE-2
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,742,643	\$ 34,472	\$ 3,777,115
Taxes receivable, net	16,814	-	16,814
Due from other funds	-	338,022	338,022
Receivable from other governments	34,773	-	34,773
Other receivables	-	972	972
Prepaid expenses	34,860	26,458	61,318
Total assets	<u>3,829,090</u>	<u>399,924</u>	<u>4,229,014</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	41,916	340	42,256
Due to other funds	303,722	34,301	338,023
Payable to other governments	76,266	-	76,266
Unearned revenue	14,169	-	14,169
Other accrued expenses	64,143	5,124	69,267
Total liabilities	<u>500,216</u>	<u>39,765</u>	<u>539,981</u>
Fund balances:			
Non-spendable inventory	18,654	-	18,654
Restricted-TABOR	40,000	-	40,000
Unassigned	3,270,220	-	3,270,220
Assigned, reported in non-major:			
Special revenue funds	-	883	883
Capital projects funds	-	359,276	359,276
Total fund balances	<u>3,328,874</u>	<u>360,159</u>	<u>3,689,033</u>
Total liabilities and fund balances	<u>\$ 3,829,090</u>	<u>\$ 399,924</u>	<u>\$ 4,229,014</u>

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

Kiowa County School District RE-2
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balance, governmental funds	\$	3,689,033
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities and deferred outflows of resources are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		2,901,324
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, Net Pension Liability, Pension Differences-Deferred Outflow and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		<u>(1,810,108)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>4,780,249</u></u>

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

Kiowa County School District RE-2
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 470,322	\$ -	\$ 470,322
SO Tax	96,946	-	96,946
State equalization	2,277,818	-	2,277,818
Student activities	-	22,470	22,470
Intergovernmental	175,187	20,977	196,164
Charges for services	-	9,492	9,492
Investment earnings	94,002	82	94,084
Miscellaneous	90,560	-	90,560
Total revenues	<u>3,204,835</u>	<u>53,021</u>	<u>3,257,856</u>
EXPENDITURES			
Instructional:			
Pupil services	99,043	-	99,043
Instructional	730,968	-	730,968
General administration	159,703	-	159,703
School administration	21,157	-	21,157
Fiscal services	112,309	-	112,309
Operations & maintenance	221,577	-	221,577
Central services	22,343	-	22,343
Other support	92,040	-	92,040
Total Instructional	<u>1,459,140</u>	<u>-</u>	<u>1,459,140</u>
Support Services:			
Food services	-	77,541	77,541
Pupil Transportation	43,948	-	43,948
Noninstructional Services:			
Student Activities	-	24,327	24,327
Maintenance	-	19,336	19,336
Capital Outlay	-	395,480	395,480
Total Expenditures	<u>1,503,088</u>	<u>516,684</u>	<u>2,019,772</u>
Excess (deficiency) of revenues over expenditures	<u>1,701,747</u>	<u>(463,663)</u>	<u>1,238,084</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	18,000	495,000	513,000
Transfers out	(513,000)	-	(513,000)
Total other financing sources and uses	<u>(495,000)</u>	<u>495,000</u>	<u>-</u>
SPECIAL ITEM			
Proceeds from sale of assets	-	81,600	81,600
Net change in fund balances	<u>1,206,747</u>	<u>112,937</u>	<u>1,319,684</u>
Fund balances - beginning	2,122,127	247,222	2,369,349
Fund balances - ending	<u>\$ 3,328,874</u>	<u>\$ 360,159</u>	<u>\$ 3,689,033</u>

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

Kiowa County School District RE-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds:	\$	1,319,684
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$395,480 is more than depreciation of \$291,087 in the current period.</p>		
		104,393
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Net difference between PERA pension and OPEB actual expense contributions		497,832
Adjustment of Assets		<u>(291,383)</u>
Change in net position of governmental activities	\$	<u><u>1,630,526</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Kiowa County School District RE-2
Notes to Financial Statements
June 30, 2025

Note 1 **Summary of Significant Accounting Policies**

The accounting policies of the Kiowa County School District RE-2 (the “District”) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with four 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 Kiowa County School District RE-2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operation, and primary accountability for fiscal members.

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided

by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds (General Fund) are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial

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

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

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

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

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

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

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

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

Fund Accounting

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

General Fund - the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

Cash and Investments

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

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

Receivables

Property taxes levied in 2024 but uncollected in 2025 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2025 are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

Inventories

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

Capital Assets

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

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

The monetary threshold for capitalization of assets is \$1,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

Deferred Outflows/Inflows of Resources

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

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

Long-Term Obligations

In the government-wide financial statements long term debt and other long-term obligations are reported as liabilities in the applicable government activities.

The District records long-term debt, if any, of governmental funds at face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

Constitutional Amendment

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

In November of 1996, the registered voters approved a ballot resolution authorizing Kiowa County School District RE-2 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased, or any new tax imposed without the consent of the voters.

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

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

Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2024 property tax calendar for the District was as follows:

Levy Date	December 5, 2023
Lien Date	January 1, 2024
Tax Bills Mailed	January 1, 2024
First Installment Due	February 28, 2024
Second Installment Due	June 15, 2024
If Paid in Full, Due	April 30, 2024

Accumulated Staff Leave

District policy allows for the accumulation of staff leave. Administrative, certified and non-certified staff can accumulate from 10 to 32 days depending on their position. Up to three days leave above the maximum is reimbursed annually.

The liability for accumulated leave is immaterial and is not recorded in the 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.

Interest Expense

All interest expenses, if any, has been reported as unallocated in the Government-wide financial statements.

GASB Statement No. 54

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

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

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation, which includes the TABOR restricted amount.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

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

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

Order of Fund Balance Spending Policy

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

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

Note 2

Reconciliation of Government-Wide and Fund Financial Statements

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

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

The following transactions between funds have been eliminated in the government-wide statements:

	<u>Transfer To</u>	<u>Transfer From</u>
General Fund	\$ 513,000	\$ -
Food Service Fund	-	45,000
Housing Fund	-	18,000
Capital Projects Fund	-	45,000
Total	<u>\$ 513,000</u>	<u>\$ 513,000</u>

Note 3

Budgetary Information

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws.

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

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

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

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

Note 4**Cash and Investments**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2025, the District’s bank balance and investments of certificates of deposits were as follows:

	<u>Carrying Balance</u>
Insured (FDIC)	\$ 250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,160,359
CSAFE	<u>2,366,756</u>
Total Cash and Deposits	<u>\$ 3,777,115</u>

Colorado statutes specify which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, U.S. territory or any of their subdivisions, with certain limitations;
4. Bankers' acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market fund, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with certain limitations;
9. Participation with other local governments in pooled investment funds (trust). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. These trusts are “COLOTRUST,” “CSIP,” and “CSAFE.”

The District has funds invested in Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an original Colorado local government investment pool developed by Colorado local governments for Colorado local governments. CSAFE’s sole purpose is to serve governmental entities in Colorado to meet investment objectives via an asset allocation approach to portfolio management with emphasis on safety, liquidity, transparency, and competitive yields. The fund

is currently rated AAmmf by Fitch Ratings. The fund is strictly structured as a stable value investment pool, structured to maintain a net asset value of \$1.00 per share.

Note 5 Capital Assets

A summary of changes in capital assets is as follows:

<u>Governmental Activities:</u>	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Depreciable Assets:				
Buildings	\$ 3,986,581	\$ -	\$ (282,674)	\$ 3,703,907
Site Improvements	71,101	-	(50,076)	21,025
Vehicles	293,400	268,949	(107,160)	455,189
Food Service Equipment	69,845	-	-	69,845
Equipment	384,818	126,531	(169,991)	341,358
Total Depreciable Assets	<u>4,805,745</u>	<u>395,480</u>	<u>(609,901)</u>	<u>4,591,324</u>
Less Accumulated Depreciation for:				
Buildings	(1,841,866)	(197,670)	282,674	(1,756,862)
Site Improvements	(68,601)	-	50,076	(18,525)
Vehicles	(158,135)	(61,087)	107,160	(112,062)
Food Service Equipment	(60,997)	(2,264)	-	(63,261)
Equipment	(339,185)	(30,066)	169,991	(199,260)
Total Accumulated Depreciation	<u>(2,468,784)</u>	<u>(291,087)</u>	<u>609,901</u>	<u>(2,149,970)</u>
Total Capital Assets, Net	<u>\$ 2,336,961</u>	<u>\$ 104,393</u>	<u>\$ -</u>	<u>\$ 2,441,354</u>

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

<u>Governmental Activities:</u>	
Instruction	\$ 197,670
Transportation	61,087
Operations	30,066
Food Service	2,264
Total Depreciation Expense – Governmental Activities	<u>\$ 291,087</u>

Note 6 Accrued Salaries and Benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2025, are estimated to be \$35,068. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

The District also accrued \$29,076 of accrued staff leave.

Defined Benefit Pension PlanSummary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the 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, 2025: Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413.

Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

	January 1, 2024 Through December 31, 2025
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	<u>10.38%</u>
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	<u>5.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>20.38%</u></u>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$49,543 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a non-employer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. For 2024, 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 Trust Fund, and Denver Public Schools Division Trust Fund.

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, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

On June 30, 2025, the District reported a liability of \$1,522,437 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District’s proportionate share of the net pension liability	\$ 1,522,437
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	136,739
Total	<u>\$ 1,659,176</u>

On December 31, 2024, the District proportion was 0.0096158%, which was approximately the same as its proportion measured as of December 31, 2023.

On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 93,957	\$ -
Changes of assumptions or other inputs	12,439	-
Net difference between projected and actual earnings on pension plan investments	273,633	242,329
Contributions subsequent to the measurement date	75,717	-
Total	<u>\$ 455,745</u>	<u>\$ 242,329</u>

\$75,717 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, 2026. 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	\$	88,405
2026		116,632
2027		(45,011)
2028		(22,326)
2029		-
Thereafter	\$	-

Actuarial assumptions. The TPL in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

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

¹Post-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.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80 / 94% of the rate age 80 and older Females: 83% of the rates prior to age 80 / 106% of the rates 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuation were based on 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.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation 4.00% – 13.40%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds

based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- 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.

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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	\$ 2,064,072	\$ 1,522,437	\$ 1,068,742

Pension Plan FNP. Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Note 8

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description. Employees of the District 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/forms-resources/financial-reports-and-studies.

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. the District does not provide a matching contribution to the 401(k) plan.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description. Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 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 457 Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy. The PERAPlus 457 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 1603 of the C.R.S., as amended. the District does not provide a matching contribution to the 457 Plan.

Note 9

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$7,579 for the year ended June 30, 2025.

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

On June 30, 2025, the District reported a liability of \$29,438 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

On December 31, 2024, the District's proportion was 0.00615652%, which was approximately the same as its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB income of \$3,219. On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 6,494
Changes of assumptions or other inputs	338	9,410
Net difference between projected and actual earnings on pension plan investments	100	-
Contributions subsequent to the measurement date	3,790	N/A
Total	\$ 4,227	\$ 15,904

\$3,790 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, 2026. 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	\$	(4,522)
2026		(2,666)
2027		(3,640)
2028		(2,248)
2029		(1,551)
Thereafter	\$	(838)

Actuarial assumptions. The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	HCTF
	School Division
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-11.00%
Safety Officers	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	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

As of the December 31, 2024, 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. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$20 and \$486, respectively.

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare 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.

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (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%
86 and older	0.0%	0.0%

<u>Sample Age</u>	<u>MAPD PPO #1 with Medicare Part A Retiree/Spouse</u>		<u>MAPD PPO #1 without Medicare Part A Retiree/Spouse</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
	65	\$ 1,710	\$ 1,420	\$ 6,536
70	\$ 1,921	\$ 1,589	\$ 7,341	\$ 6,073
75	\$ 2,122	\$ 1,670	\$ 8,110	\$ 6,385

<u>Sample Age</u>	<u>MAPD PPO #2 with Medicare Part A Retiree/Spouse</u>		<u>MAPD PPO #2 Without Medicare Part A Retiree/Spouse</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
	65	\$ 585	\$ 486	\$ 4,241
70	\$ 657	\$ 544	\$ 4,764	\$ 3,941
75	\$ 726	\$ 571	\$ 5,262	\$ 4,143

<u>Sample Age</u>	<u>MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse</u>		<u>MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
	65	\$ 1,897	\$ 1,575	\$ 7,063
70	\$ 2,130	\$ 1,763	\$ 7,933	\$ 6,563
75	\$ 2,353	\$ 1,853	\$ 8,763	\$ 6,900

The 2024 Medicare Part A premium is \$505 (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. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Year	PERACare	MAPD PPO #2 ¹	Medicare Part A
	Medicare Plans ¹		Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the School Division Trust Fund as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed on a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the School Division participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School and DPS Divisions	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School and DPS Divisions	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80 / 94% of the rates age 80 and older Females: 83% of the rates prior to age 80 / 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuations were based on 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 PERA's Board on November 20, 2020.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
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 District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability or net OPEB asset using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability			
HCTF	\$ 36,077	\$ 29,438	\$ 23,715

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, 2024, 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net OPEB liability	\$ 28,645	\$ 29,438	\$ 30,336

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

Note 10 Joint Venture

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Colorado Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board.

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

Note 11 Colorado School District Self Insurance Pool (CSDIP)

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

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 Insurance Reserve fund.

Note 12 Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destructions of assets; error or omission; injuries to employees, or act of God.

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

REQUIRED SUPPLEMENTARY INFORMATION

Kiowa County School District RE-2
Budget and Actual
General
For the year ended June 30, 2025

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property Taxes	\$ 460,304	\$ 465,740	\$ 470,322
SO Taxes	70,800	88,000	96,946
State equalization	2,339,279	2,258,800	2,277,818
Integovernmental	247,373	168,100	183,413
Investment earnings	42,500	57,250	94,002
Miscellaneous	35,936	83,100	90,560
Total revenues	<u>3,196,192</u>	<u>3,120,990</u>	<u>3,213,061</u>
EXPENDITURES			
Pupil services	68,600	98,873	99,043
Instructional	861,211	837,204	739,194
General administration	160,871	165,358	159,703
School administration	13,814	28,249	21,157
Fiscal services	113,591	108,785	112,309
Operations & maintenance	170,627	208,562	221,577
Central services	84,210	93,866	92,040
Other support services	17,460	25,100	22,343
Pupil Transportation	63,971	48,428	43,948
Total Expenditures	<u>1,554,355</u>	<u>1,614,425</u>	<u>1,511,314</u>
Excess (deficiency) of revenues over expenditures	<u>1,641,837</u>	<u>1,506,565</u>	<u>1,701,747</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	18,000	18,000
Transfers (out)	<u>(500,000)</u>	<u>(513,000)</u>	<u>(513,000)</u>
Total other financing sources and uses	<u>(490,000)</u>	<u>(495,000)</u>	<u>(495,000)</u>
Net change in fund balances	1,151,837	1,011,565	1,206,747
Fund balances - beginning	<u>1,755,849</u>	<u>2,122,127</u>	<u>2,122,127</u>
Fund balances - ending	<u>\$ 2,907,686</u>	<u>\$ 3,133,692</u>	<u>\$ 3,328,874</u>

Kiowa County School District RE-2
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

	for the years ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of the collective pension liability	\$ 1,522,437	\$ 1,769,029	\$ 1,218,413	\$ 944,833	\$ 1,464,494	\$ 1,330,228	\$ 1,535,878	\$ 3,370,537	\$ 3,473,418	\$ 1,925,434
Payroll	\$ 743,047	\$ 692,631	\$ 574,920	\$ 565,490	\$ 546,026	\$ 523,276	\$ 507,382	\$ 470,198	\$ 501,106	\$ 520,732
District's proportionate share of the net pension liability as a percentage of its payroll	205%	255%	212%	167%	268%	254%	303%	717%	693%	370%
Plan fiduciary net pension as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%

Kiowa County School District RE-2
Schedule of the District's Proportionate Share of the Net OPEB Liability
For the Year Ended June 30, 2025

	for the years ended December 31,								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion (percentage) of the collective net OPEB liability	0.0062%	0.0627%	0.0057%	0.0059%	0.0056%	0.0060%	0.0060%	0.0060%	0.0063%
District's proportionate share of the collective OPEB liability	\$ 29,438	\$ 44,735	\$ 46,256	\$ 51,128	\$ 53,224	\$ 65,413	\$ 76,708	\$ 76,969	\$ 76,787
Payroll	\$ 743,047	\$ 692,631	\$ 574,920	\$ 565,490	\$ 546,026	\$ 523,276	\$ 507,382	\$ 470,198	\$ 501,106
District's proportionate share of the net OPEB liability as a percentage of its payroll	3.96%	6.46%	8.05%	9.04%	9.75%	12.50%	15.12%	16.37%	15.32%
Plan fiduciary net position as a percentage of the total OPEB liability	59.73%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Kiowa County School District RE-2
Schedule of Contributions and Related Ratios-Pension
For the Year Ended June 30, 2025

	for the years ended December 31,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contributions	\$ 151,433	\$ 141,158	\$ 112,436	\$112,436	\$101,698	\$100,752	\$ 97,064	\$ 88,763	\$ 92,070	\$ 92,559
Contributions in relation to the statutorily required contribution	<u>\$ 151,433</u>	<u>\$ 141,158</u>	<u>\$ 112,436</u>	<u>\$112,436</u>	<u>\$101,698</u>	<u>\$100,752</u>	<u>\$ 97,064</u>	<u>\$ 88,763</u>	<u>\$ 92,070</u>	<u>\$ 92,559</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payroll	\$ 743,047	\$ 692,631	\$ 574,920	\$565,490	\$517,970	\$523,276	\$507,382	\$470,198	\$501,106	\$520,732
Contribution as a percentage of payroll	20.38%	20.38%	19.56%	19.88%	19.63%	19.25%	19.13%	18.88%	18.37%	17.77%

Kiowa County School District RE-2
Schedule of Contributions and Related Ratios-OPEB
For the Year Ended June 30, 2025

	for the years ended December 31,								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutory required contributions	\$ 7.579	\$ 7.065	\$ 5.864	\$ 5.768	\$ 5.283	\$ 5.337	\$ 5.174	\$ 4.796	\$ 5.111
Contributions in relation to the statutorily required contribution	<u>7.579</u>	<u>7.065</u>	<u>5.864</u>	<u>5.768</u>	<u>5.283</u>	<u>5.337</u>	<u>5.174</u>	<u>4.796</u>	<u>5.111</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payroll	\$ 743.047	\$ 692.631	\$ 574.920	\$ 565.490	\$ 517.970	\$ 523.276	\$ 507.382	\$ 470.198	\$ 501.106
Contribution as a percentage of payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

Kiowa County School District RE-2
Balance Sheet
Other Governmental Funds
June 30, 2025

	<u>Food Service</u>	<u>Activity Fund</u>	<u>Total Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Total-Other Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 34,472	\$ 34,472	\$ -	\$ 34,472
Due from other funds	5,207	-	5,207	332,815	338,022
Other receivables	-	972	972	-	972
Prepaid expenses	-	-	-	26,458	26,458
Total assets	<u>5,207</u>	<u>35,444</u>	<u>40,651</u>	<u>359,273</u>	<u>399,924</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	340	340	-	340
Due to other funds	-	34,301	34,301	-	34,301
Other accrued expenses	5,124	-	5,124	-	5,124
Total liabilities	<u>5,124</u>	<u>34,641</u>	<u>39,765</u>	<u>-</u>	<u>39,765</u>
Fund balances:					
Assigned	<u>83</u>	<u>803</u>	<u>886</u>	<u>359,273</u>	<u>360,159</u>
Total fund balances	<u>83</u>	<u>803</u>	<u>886</u>	<u>359,273</u>	<u>360,159</u>
Total liabilities and fund balances	<u>\$ 5,207</u>	<u>\$ 35,444</u>	<u>\$ 40,651</u>	<u>\$ 359,273</u>	<u>\$ 399,924</u>

Kiowa County School District RE-2
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2025

	<u>Food Service</u>	<u>Activity Fund</u>	<u>Total Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES					
Student Activities	\$ -	\$ 22,470	\$ 22,470	\$ -	\$ 22,470
Intergovernmental	20,977	-	20,977	-	20,977
Charges for services	9,492	-	9,492	-	9,492
Investment earnings	-	82	82	-	82
Total revenues	<u>30,469</u>	<u>22,552</u>	<u>53,021</u>	<u>-</u>	<u>53,021</u>
EXPENDITURES					
Support Services:					
Food Services	77,541	-	77,541	-	77,541
Noninstructional Services:					
Student activities	-	24,327	24,327	-	24,327
Maintenance	-	-	-	19,336	19,336
Capital Outlay	-	-	-	395,480	395,480
Total Expenditures	<u>77,541</u>	<u>24,327</u>	<u>101,868</u>	<u>414,816</u>	<u>516,684</u>
Excess (deficiency) of revenues over expenditures	<u>(47,072)</u>	<u>(1,775)</u>	<u>(48,847)</u>	<u>(414,816)</u>	<u>(463,663)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	45,000	-	45,000	450,000	495,000
Total other financing sources and uses	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>450,000</u>	<u>495,000</u>
SPECIAL ITEM					
Proceeds from sale of land	-	-	-	81,600	81,600
Net change in fund balances	(2,072)	(1,775)	(3,847)	116,784	112,937
Fund balances - beginning	2,155	2,578	4,733	242,489	247,222
Fund balances - ending	<u>\$ 83</u>	<u>\$ 803</u>	<u>\$ 886</u>	<u>\$ 359,273</u>	<u>\$ 360,159</u>

Kiowa County School District RE-2
Budget and Actual
Food Service
For the year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 21,500	\$ 24,800	\$ 20,977
Charges for services	8,500	8,300	9,492
Total revenues	<u>30,000</u>	<u>33,100</u>	<u>30,469</u>
EXPENDITURES			
Support Services:			
Food service	82,093	77,173	77,541
Total Expenditures	<u>82,093</u>	<u>77,173</u>	<u>77,541</u>
Excess (deficiency) of revenues over expenditures	<u>(52,093)</u>	<u>(44,073)</u>	<u>(47,072)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	45,000	45,000
Total other financing sources and uses	<u>50,000</u>	<u>45,000</u>	<u>45,000</u>
Net change in fund balances	(2,093)	927	(2,072)
Fund balances - beginning	5,211	2,155	2,155
Fund balances - ending	<u>\$ 3,118</u>	<u>\$ 3,082</u>	<u>\$ 83</u>

**Kiowa County School District RE-2
Budget and Actual
Student Activity
For the year ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Student activities	\$ 16,600	\$ 18,900	\$ 22,470
Investment earnings	-	-	82
Total revenues	<u>16,600</u>	<u>18,900</u>	<u>22,552</u>
EXPENDITURES			
Noninstructional Services:			
Student activities	\$ 16,600	\$ 16,900	24,327
Total Expenditures	<u>16,600</u>	<u>16,900</u>	<u>24,327</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,000</u>	<u>(1,775)</u>
Net change in fund balances	-	2,000	(1,775)
Fund balances - beginning	4,465	2,578	2,578
Fund balances - ending	<u>\$ 4,465</u>	<u>\$ 4,578</u>	<u>\$ 803</u>

**Kiowa County School District RE-2
Budget and Actual
Capital Projects
For the year ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Maintenance	-	-	19,336
Capital Outlay	200,000	350,000	395,480
Total Expenditures	<u>200,000</u>	<u>350,000</u>	<u>414,816</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(350,000)</u>	<u>(414,816)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	450,000	450,000	450,000
Total other financing sources and uses	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	-	72,850	81,600
Net change in fund balances	250,000	172,850	116,784
Fund balances - beginning	114,678	242,489	242,489
Fund balances - ending	<u>\$ 364,678</u>	<u>\$ 415,339</u>	<u>\$ 359,273</u>



Colorado Department of Education
Auditors Integrity Report
 District: 1440 - Plainview RE-2
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,122,127	2,709,834	1,503,087	3,328,874
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	2,122,127	2,709,834	1,503,087	3,328,874
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,155	75,469	77,541	83
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	2,578	22,553	24,327	803
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	242,489	531,600	414,816	359,273
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals	2,389,348	3,339,496	2,019,771	3,689,033
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL