

PROWERS COUNTY SCHOOL DISTRICT RE-1
GRANADA, COLORADO
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
AND CERTAIN SUPPLEMENTAL INFORMATION
JUNE 30, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS – Required Supplementary Information	i - xi
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Governmental Fund Financial Statements	
Balance Sheet	5
Reconciliation of Balance Sheet to Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances	7
Reconciliation of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	8
Notes to Financial Statements	9 - 36
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	37
Schedule of District's Proportionate Share - School Division Trust Fund	38
Schedule of District's Contributions -School Division Trust Fund	39
Schedule of District's Proportionate Share - Health Care Trust Fund	40
Schedule of District's Contributions - Health Care Trust Fund	41
OTHER SUPPLEMENTARY INFORMATION	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) Food Service Fund	42
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) Pupil Activity Fund	43
Reconciliation of Auditor's Electronic Financial Data Integrity Check Figures to Governmental Fund Financial Statements	44 - 45
Colorado School District Auditor's Electronic Financial Data Integrity Check Figures	46

Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

JAMES E. GARREN, CPA
MEL J. ROSS, CPA
SAM J. DeNARDO, CPA

SUITE 200
3673 PARKER BOULEVARD
PUEBLO, COLORADO 81008
719 / 544-9872
FAX 719 / 253-5417
www.grdcpa.com

INDEPENDENT AUDITOR'S REPORT

February 23, 2026

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prowers County School District RE-1 (the District), as of and for the year ended June 30, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Prowers County School District RE-1, as of June 30, 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 and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and GASB required pension and OPEB information on pages i through xi, and 35 through 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Darius, Ross & DeNardo, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROWERS COUNTY SCHOOL DISTRICT RE-1 GRANADA
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

As management of the Prowers County School District RE-1, we offer readers of the Prowers County School District RE-1's financial statements this narrative overview and analysis of the financial activities of the Prowers County School District RE-1 for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights

- The District's governmental activities increased \$88,024 over the course of the 2025 fiscal year. Total net assets decreased 11 percent, due to a decrease in capital assets and the GASB 68 rule which requires the District to show a Net Pension Obligation of \$4,238,922. Net Position is no longer divided between governmental activities and business-type activities.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3,642,314 or 79 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$704,489 or 15 percent of total revenues of \$4,591,299.
- The District had \$5,181,428 in expenses related to governmental activities; \$704,489 of these expenses were offset by program specific charges for services, grants and contributions.
- Outlays for capital assets were primarily comprised of the purchase of labor and materials for major repairs to the school building, through Best Grant funds.
- Business-type activities are no longer separated out since the Food Service fund changed from an Enterprise Fund to a Special Revenue Fund as of July 1, 2014. Revenue in the food service fund from charges for services and operating grants and contributions was not sufficient to cover expenses in the 2025 fiscal year. \$120,500 was transferred from the General fund.

Overview of the Financial Statements

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

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

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

District-wide Financial Statements

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

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

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

The district-wide financial statement no longer distinguishes functions of the District that were principally supported by taxes and intergovernmental revenues (government activities) from other functions that were intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities now include the District's basic services such as regular and special education, transportation, administration, and food services.

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

Fund Financial Statements

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

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

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

Proprietary funds: Until the 2014-15 school year, Food Service had been an Enterprise fund and was presented under business-type activities in the district-wide financial statements. It is now presented under other governmental funds. The depreciation expense was dropped when Food Service changed to a special revenue fund.

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 9-36 of this report.

Other information

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

District-wide Financial Analysis

The fiscal year ended June 30, 2025, is the twenty-first year in which the financial statements of the District are reported following GASB Statement 34. Therefore, comparative information to the prior year is available for this section of the Management Discussion and Analysis.

Table 1 provides a summary of the district's net position at June 30, 2024 & June 30, 2025.

Table 1
Condensed Statement of Net Position

	Governmental	Business-type	2025 Total	2024 Total
	Activities	Activities	School District	School District
Current and Other Assets	\$ 4,095,538	-	\$ 4,095,538	\$ 4,023,497
Capital Assets - Net	6,747,962	-	6,747,962	7,170,041
Deferred Outflows	512,233		512,233	1,421,414
Total Assets and Flows	11,355,733	-	11,355,733	12,614,952
Current Liabilities	557,395	-	557,395	504,444
Long Term Liabilities	5,872,835	-	5,872,835	6,434,273
Deferred Inflows	66,977	-	66,977	227,580
Total Liabilities	6,497,207	-	6,497,207	7,166,297
Net Position				
Net Investment in Capital Assets	5,107,498	-	5,107,498	5,455,319
Restricted For:				
Tabor Reserve	139,000		139,000	128,800
Preschool	20,504	-	20,504	13,829
Food Service	4,643		4,643	1,463
Capital Outlay	0		0	0
Unrestricted (Deficit)	(413,119)	-	(413,119)	(150,756)
Total net assets at June 30	4,858,526	-	4,858,526	5,448,655

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

Table 2
Changes in Net Assets From Operating Results

	Governmental Activities	Business- Type Activities	2025 Total School District	2024 Total School District
Revenues				
Capital Grants & Contributions	\$ 0	\$ -	\$ 0	\$ 0
Charges for Services	\$ 247,870	-	\$ 247,870	\$ 297,129
Operating Grants & Contributions	\$ 456,619	-	\$ 456,619	\$ 725,597
General Revenues				
Property Taxes	\$ 538,174		\$ 538,174	\$ 561,498
State Equalization	\$ 3,104,140		\$ 3,104,140	\$ 2,769,736
Other	\$ 101,200	-	\$ 101,200	\$ 89,583
Other Revenue	\$ 143,296		\$ 143,296	\$ 164,946
Transfers	-	-	-	-
Total Revenues	\$ 4,591,299	-	\$ 4,591,299	\$ 4,608,489
Expenses				
Instruction	\$ 2,828,626	-	\$ 2,828,626	\$ 2,702,564
Support Services:				
Students	\$ 76,478	-	\$ 76,478	\$ 78,490
Instructional Staff	\$ 136,533	-	\$ 136,533	\$ 83,517
General Administration	\$ 299,495	-	\$ 299,495	\$ 262,552
School Administration	\$ 59,683	-	\$ 59,683	\$ 53,329
Operations and Maintenance	\$ 1,190,493	-	\$ 1,190,493	\$ 1,063,484
Student Transportation	\$ 140,335	-	\$ 140,335	\$ 132,535
Central Supporting Services	\$ 78,990	-	\$ 78,990	\$ 69,026
Other Support	\$ 49,931	-	\$ 49,931	\$ 45,956
Capital Outlay	\$ -	-	\$ -	-
Food Service Operations	\$ 248,002	-	\$ 248,002	\$ 225,934
Transfers	-	-	-	-
Interest and Fiscal Charges	\$ 72,862		\$ 72,862	69,600
Pension Amortization	\$ -	-	\$ -	\$ -
OPEB Expenses	\$ -		\$ -	\$ -
Total Expenses	\$ 5,181,428		\$ 5,181,428	\$ 4,786,987
Increase (Decrease) in Net Position	\$ (590,129)	\$ -	\$ (590,129)	\$ (178,498)

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

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

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

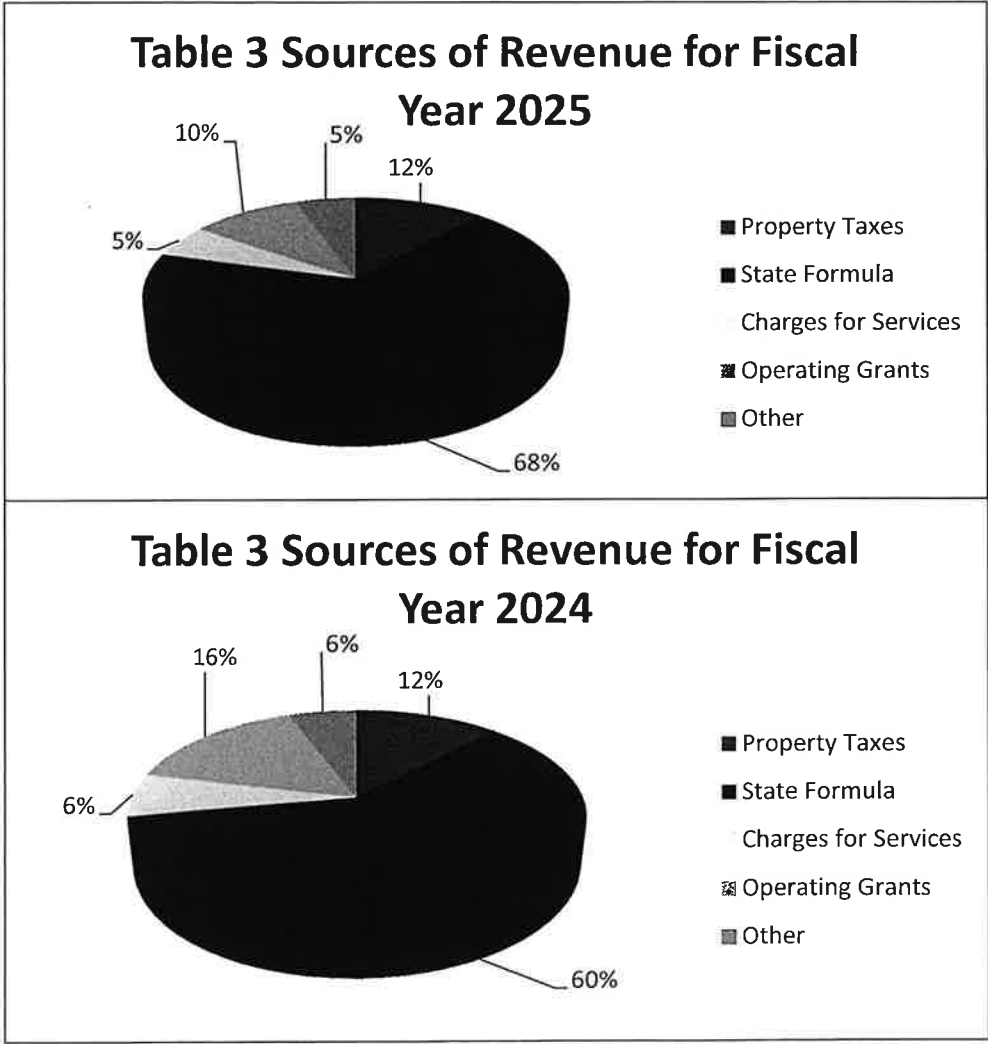


Table 4 Expenses for Fiscal Year 2025

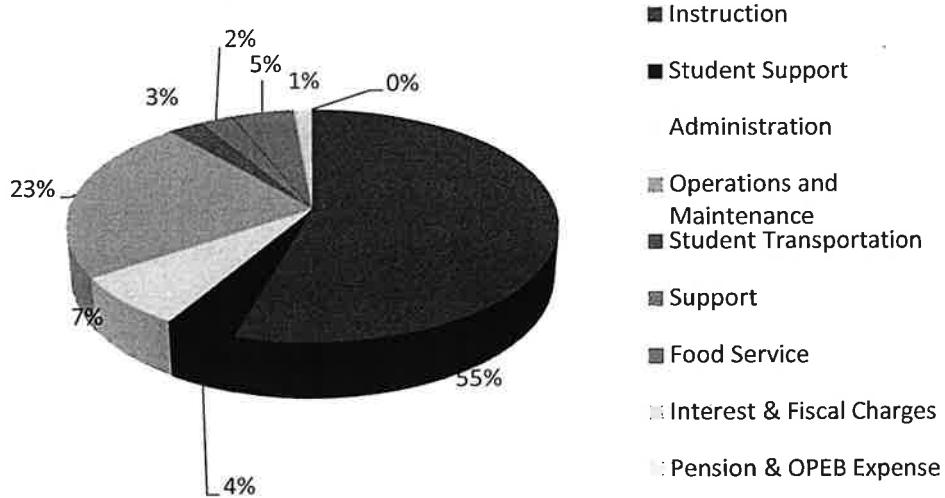
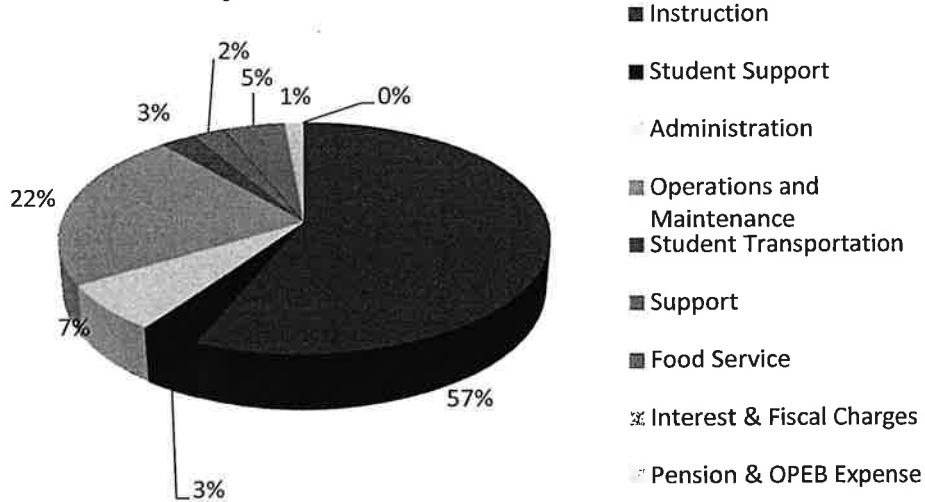


Table 4 Expenses for Fiscal Year 2024



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the district received, \$18,772.05 per funded student. In fiscal year 2024-2025, the funded pupil count was 193.5. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization. The district receives approximately 68 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax. The district receives approximately 12 percent of funding from property tax.

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

Table 5
Net Cost of Governmental Activities (in dollars)

	Total Cost	Net Cost
	of Services	of Services
Instruction	\$ 2,828,626	\$ -2,276,642
Students	76,478	-74,246
Instructional Staff	136,533	-120,547
General Administration	299,495	-298,800
School Administration	59,683	-59,693
Operations and Maintenance	1,190,493	-1,188,408
Student Transportation	140,335	-139,640
Central Supporting Services	78,990	-78,990
Other Support	49,931	-49,931
Capital Outlay	-	-
Food Service	248,002	-117,180
Interest and Fiscal Changes	72,862	-72,862
Pension Change	-	-
OPEB Expense	-	-
Total	\$ 5,181,428	\$ -4,476,939

- The cost of all governmental activities this year was \$5,181,428.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$456,619.
- Most of the District's costs were financed by District and State taxpayers for a total of \$3,642,314.
- This portion of governmental activities was financed with \$538,174 in property taxes, \$3,104,140 in state aid (equalization) based on the statewide formula for per pupil funding, and \$101,200 in investment earnings and other miscellaneous revenues, \$143,296 not pertaining specifically to a program.

Business-type Activities

Business-type activities are no longer reported separately since the Food Service fund changed from an Enterprise Fund to a Special Revenue Fund as of July 1, 2014. Lunch prices increased in the 2012-13 school year. Beginning in the 2020-21 school year and extending through 2024-25, the District received waivers from USDA allowing all students to receive free meals through the Summer Foods Service Program, Seamless Summer Option Program, and the Healthy School Meals for All Program. In future years, lunch prices and other charges may be adjusted to continue to meet expected costs.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 5. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$4,611,736 and expenditures of \$4,523,712. The net change in governmental fund balances for the year was most significant after transferring \$120,500 to food service and \$75,059 to pupil activity.

General Fund Budgetary Highlights

The actual expenditures were \$251,855 below budget. The District budgeted a total of \$4,243,357 all General Fund expenditures. The District did not spend any of the contingency on the assets purchased. The fund balance as of June 30, 2025 (budgetary basis) was \$3,647,620, compared to \$3,531,267 as of June 30, 2024, including \$139,000, and \$128,800 respectively, for TABOR Amendment emergency reserves.

Capital Assets

By the end of the fiscal year 2025, the District had invested \$12,353,854 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6.)

**Table 6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 488,022	\$ 488,022	-	\$ -	\$ 488,022	\$ 488,022
Building	5,822,575	6,229,500	-	-	5,822,575	6,229,500
Vehicles	1,842	3,685	-	-	1,842	3,685
Equipment	435,523	448,834	-	-	435,523	448,834
Work in Progress	-	-	-	-	-	-
Total	\$ 6,747,962	\$ 7,170,041	\$ -	\$ -	\$ 6,747,962	\$ 7,170,041

**Table 7
Changes in Long-Term Debt**

Equipment Lease Purchase Series 2020	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
	\$ 1,714,722	-	\$ 74,258	\$ 1,640,464
Totals	\$ 1,714,722	\$ -	\$ 74,258	\$ 1,640,464

Factors Bearing on the District’s Future

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

- Information from the 2024-2025 student enrollment “October count” shows that Prowers County School District RE-1 had a few less students than last year. The Stabilization factor resulted in an increase in revenue from the funded pupil count.
- Based on previous enrollment data, our projections for student enrollment for fall 2025 will show District enrollment remaining steady.
- The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado’s general fund revenues, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado’s total expenditures, the District anticipates its revenues may be adversely impacted. If the District revenues are reduced, the District will be required to reduce its future expenditures. The district implemented a reduction in force in the 2011-12 year to offset the decline in revenues.
- During the 2014-15 school year, the State replaced the Transitional Colorado Assessment Program (TCAP) with the Partnership for Assessment of Readiness for College and Careers (PARCC). The PARCC tests were given to assess Math and Reading in grades three through nine until 2017-18 when they began including grades three through eight. Colorado Measures of Academic Success (CMAS) tests assess Science in fifth or eighth or eleventh grades and Social Studies in fourth or seventh grades. Twelfth grade is no longer tested in Science and Social Studies. In the 2015-16 school year, the District began administering the PSAT test to sophomores, then included the freshmen in 2017-18. Juniors now take the ACT and SAT tests. Schools receiving a priority improvement or turn-around status for three straight years face takeover by the State and conversion to a charter school. The Colorado Department of Education determined that the Prowers County School District RE-1 is meeting the intent of the requirements, as set forth in Colorado State Board of Education Rules 2202-R-0.00 through 4.02 (5), and continues to be fully accredited.
- The District, experienced a significant change with the implementation of GASB 68 in the 2014-15 school year, which required the disclosure of the PERA (Public Employees’ Retirement Association) pension obligation. In 2017-18 the district was required to disclose the OPEB (Other Post-Employment Benefits) liabilities.
- In the 2014-15 school year, the Food Service Fund changed from an Enterprise Fund to a Special Revenue Fund. The district-wide financial statement no longer offers a good comparative, because there is a significant difference in the Governmental Activities due the Food Service Fund no longer being reflected as a Business Type Activity.
- The Granada RE-1 School was awarded the Best Grant in the amount of \$5,600,000.00 in 2020. The funds were used to install a generator, replace HVAC units, windows, LED light fixtures, interior doors; and upgrade plumbing and bathroom fixtures. The District acquired a lease purchase agreement in the amount of \$2,000,000.00 in order to pay the matching portion of the Best Grant. During the summer of 2021, grant funds were used to install new flooring in the common rooms and hallways.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

STATEMENT OF NET POSITION
PROWERS COUNTY SCHOOL DISTRICT RE-1
 June 30, 2025

		Governmental Activities
<u>Assets</u>		
Cash and investments	\$	3,915,339
Receivables		173,431
Inventories		6,768
Capital Assets		
Non-depreciable		488,022
Depreciable - net		6,259,940
Total Assets		<u>10,843,500</u>
 <u>Deferred Outflow of Resources</u>		
Related to pensions		496,940
Related to OPEB		15,293
Total Deferred Outflows of Resources		<u>512,233</u>
 <u>Liabilities</u>		
Accounts payable and accrued liabilities		81,554
Accrued salaries		324,618
Unearned revenue		22,729
Long-Term Liabilities		
Due within one year		128,494
Due in more than one year		1,558,695
Net OPEB liability		75,218
Net pension liability		4,238,922
Total Liabilities		<u>6,430,230</u>
 <u>Deferred Inflow of Resources</u>		
Related to pensions		34,786
Related to OBEB		32,191
Total Deferred Inflows of Resources		<u>66,977</u>
 <u>Net Position</u>		
Investment in capital assets, net of related debt		5,107,498
Restricted		164,147
Unrestricted		(413,119)
Total Net Position	\$	<u><u>4,858,526</u></u>

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

STATEMENT OF ACTIVITIES
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

Functions/Programs	Expenses	Charges for Services	Program Revenue	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities						
Instructional services	\$ 2,828,626	\$ 245,745	\$ 306,228	\$ -	\$ -	\$ (2,276,653)
Supporting services	2,279,940	2,125	150,391	-	-	(2,127,424)
Interest expense, unallocated	<u>72,862</u>	-	-	-	-	<u>(72,862)</u>
Total Governmental Activities	<u>5,181,428</u>	<u>247,870</u>	<u>456,619</u>	<u>-</u>	<u>-</u>	<u>(4,476,939)</u>
General Revenues						
Local property taxes						\$ 466,572
Specific ownership taxes						71,602
School finance act						3,104,140
Earnings on investments						101,200
Other revenues						143,296
			Total General Revenues			<u>3,886,810</u>
Changes in Net Position						(590,129)
Net Position - July 1						5,448,655
Net Position - June 30						<u>\$ 4,858,526</u>

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

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
PROWERS COUNTY SCHOOL DISTRICT RE-1
June 30, 2025

	General Fund	Non-Major		Total Governmental Funds
		Food Service Fund	Pupil Activity Fund	
<u>Assets</u>				
Cash and investments	\$ 3,829,684	\$ 14,085	\$ 71,570	\$ 3,915,339
Accounts and other receivables	165,444	7,987	-	173,431
Due from other funds	36,793	-	-	36,793
Inventories	-	6,768	-	6,768
Total Assets	4,031,921	28,840	71,570	4,132,331
<u>Liabilities</u>				
Accounts payable	47,383	-	6,171	53,554
Accrued salaries and benefits	307,792	16,826	-	324,618
Due to other funds	-	-	36,793	36,793
Unearned revenue	22,126	603	-	22,729
Total Liabilities	377,301	17,429	42,964	437,694
<u>Deferred Inflow of Resources</u>				
Property taxes	7,000	-	-	7,000
<u>Fund Balance</u>				
Nonspendable	-	6,768	-	6,768
Restricted	159,504	4,643	-	164,147
Assigned	-	-	28,606	28,606
Unassigned	3,488,116	-	-	3,488,116
Total Fund Balances	\$ 3,647,620	\$ 11,411	\$ 28,606	\$ 3,687,637

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

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
PROWERS COUNTY SCHOOL DISTRICT RE-1
June 30, 2025

Total Fund Balances - Governmental Fund		\$	3,687,637
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			6,747,962
Revenues, such as property taxes, not available to pay for current period expenditures and are therefore shown as deferred inflows in the governmental funds but recorded as general revenues in the statement of net position.			7,000
<p>Deferred inflows and outflows of resources represent an acquisition or consumption of net position that applies to future periods and are therefore not reported in the governmental funds:</p>			
Deferred outflows - OPEB related amounts	\$	15,293	
Deferred outflows - pension related amounts		496,940	
Deferred inflows - OPEB related amounts		(32,191)	
Deferred inflows - pension related amounts		<u>(34,786)</u>	445,256
<p>Long-term liabilities, including long-term debt are not due and payable in the current period and therefore are not reported in the governmental funds:</p>			
Financed leases		(1,640,464)	
Accrued interest		(28,000)	
Compensated absences		(46,725)	
Net OPEB obligation		(75,218)	
Net pension obligation		<u>(4,238,922)</u>	<u>(6,029,329)</u>
Total Net Position - Governmental Activities			\$ <u>4,858,526</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

PROWERS COUNTY SCHOOL DISTRICT RE-1

June 30, 2025

	General Fund	Non-Major		Total Governmental Funds
		Food Service Fund	Pupil Activity Fund	
Revenues				
Local property tax	\$ 485,572	\$ -	\$ -	\$ 485,572
Specific ownership tax	71,602	-	-	71,602
State sources	3,308,012	1,616	-	3,309,628
Federal sources	124,050	127,081	-	251,131
Other sources	314,178	2,125	177,500	493,803
Total Revenues	<u>4,303,414</u>	<u>130,822</u>	<u>177,500</u>	<u>4,611,736</u>
Expenditures				
Instructional services	2,276,826	-	283,297	2,560,123
Student support	76,478	-	-	76,478
Staff support	103,103	-	-	103,103
General administration	299,495	-	-	299,495
School administration	59,683	-	-	59,683
Operations & maintenance of facilities	761,455	-	-	761,455
Transportation	138,492	-	-	138,492
Central services	78,990	-	-	78,990
Other services	49,931	-	-	49,931
Food services	-	237,765	-	237,765
Capital outlay	-	11,148	-	11,148
Debt service:				
Principal retirement	74,258	-	-	74,258
Interest and fiscal charges	72,791	-	-	72,791
Total Expenditures	<u>3,991,502</u>	<u>248,913</u>	<u>283,297</u>	<u>4,523,712</u>
Excess of Revenues Over (Under) Expenditures	<u>311,912</u>	<u>(118,091)</u>	<u>(105,797)</u>	<u>88,024</u>
Other Financing Sources (Uses)				
Transfers to other funds	(195,559)	-	-	(195,559)
Transfers from other funds	-	120,500	75,059	195,559
Total Other Financing Sources	<u>(195,559)</u>	<u>120,500</u>	<u>75,059</u>	<u>-</u>
Net Change in Fund Balances	116,353	2,409	(30,738)	88,024
Fund Balances - July 1	<u>3,531,267</u>	<u>9,002</u>	<u>59,344</u>	<u>3,599,613</u>
Fund Balances - June 30	<u>\$ 3,647,620</u>	<u>\$ 11,411</u>	<u>\$ 28,606</u>	<u>\$ 3,687,637</u>

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

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

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2025

Total Change in Fund Balances - Governmental Funds	\$	88,024
 Amounts reported for governmental activities in the statement of activities are different because:		
 Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 11,148	
Depreciation expense	<u>(431,790)</u>	(420,642)
 In the government-wide statements, basis in capital assets that have been sold reduces income. In governmental funds the basis is not recognized.		
		(1,437)
 Revenue not available to pay for current period expenditures are not recognized as revenue in the governmental funds.		
Property taxes		(19,000)
 The issuance of long-term obligations provide current financial resources to the governmental funds, while repayment of the principal of long-term obligations consumes the current financial resources of the governmental funds. The net effect of these differences in the treatment of long-term obligations and related items.		
Principal payments on long-term obligations	74,258	
Change in accrued interest	<u>(71)</u>	74,187
 In the statement of activities, certain operating expenses - compensated absences (sick and vacation), pension benefits, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences, pension and OPEB amounts on the statement of activities.		
Compensated absences	(46,725)	
Pension expense	(301,277)	
OPEB income	<u>36,741</u>	<u>(311,261)</u>
Total Change in Net Position - Governmental Activities	\$	<u>(590,129)</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

Reconciliation of Government-Wide and Fund Financial Statements

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

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

Fund Accounting

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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

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

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

Cash and Investments

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

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

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

Inventories

Purchased inventories of the Food Service Fund are stated at cost using the first-in, first-out method of determining inventories on hand. Commodity inventories in the Food Service Fund are stated at their fair market value on the date received. Perpetual inventory records are maintained for food service inventories. Physical counts were made of all inventories as of June 30, 2025. Inventories were adjusted to reflect the amounts determined by physical count.

Capital Assets

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Estimated useful lives are as follows:

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

Accounting Principles - Leases

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

Accounting Principles - SBITA

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

Unearned Revenue

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

Accounts Payable

Accounts payable represent obligations due to vendors for goods delivered or services rendered prior to June 30, 2025.

Property Taxes

The School District's ad valorem property tax is levied by each December 15 for all real and business personal property located in the District. The assessed value of the roll on January 1, 2025, upon which the levy for the 2025 fiscal year was based, was \$17,490,760.

The tax rates assessed for the year ended June 30, 2025 to finance general fund operations was \$27.000 per \$1,000 valuation.

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

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

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

Deferred inflows related to leases have been recorded as of June 30, 2025, which is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods.

Compensated Absences

In June 2022, the GASB issued GASB Statement No. 101, Compensated Absences. This standard updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District adopted the standard on July 1, 2024. There was no effect on beginning net position. The Board shall provide employees sick leave for 10 days each year. The District also provides 2 personal days each year. \$46,725 has been accrued at June 30, 2025.

Budgets and Budgetary Data

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

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning of July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year until there are no unfunded actuarial accrued liabilities of any division of PERA that receives direct distribution. The on-behalf payments of \$34,752 were made for the District by the State of Colorado have been recorded in the fund financial statements.

Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Budget Amounts

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

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Food Service Fund	\$ 248,913	\$ 210,523	\$ 38,390
Pupil Activity Fund	\$ 283,297	\$ 210,000	\$ 73,297

Risk Management

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

NOTE 3 - CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal insurance (FDIC or FSLIC) on deposits held.

Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool. At June 30, 2025, the District had deposits over \$250,000 in the amount of \$2,889,781. These deposits are required to be collateralized under State Statutes.

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

<u>Cash and Deposits</u>	<u>Carrying Amount</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Deposits			
Cash	\$ 857,105	\$ 857,105	\$ -
Cash held by County Treasurer	333,204	333,204	-
Investments			
Certificates of Deposit	2,394,694	2,394,694	-
Money market	330,336	330,336	-
Total Deposits	<u>\$ 3,915,339</u>	<u>\$ 3,915,339</u>	<u>\$ -</u>

Investments

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

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

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

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

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

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

NOTE 4 – RECEIVABLES

Receivables at June 30, 2025 consisted of taxes, accounts (rents and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables follows:

General Fund			
Property taxes	\$	34,286	
Grants		115,101	
Accounts receivable - other		<u>16,057</u>	\$ 165,444
Non-major Funds			
Food Service - grants			7,987
Pupil Activity			-
Total Receivables			<u>\$ 173,431</u>

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

A summary of the interfund receivables and payables at June 30, 2025 as reported in the balance sheet for government funds follows:

		<u>Due From Other Funds</u>		<u>Due To Other Funds</u>
General Fund	\$	36,793	\$	-
Food Service Fund		-		-
Pupil Activity Fund		-		36,793
Totals All Funds	\$	36,793	\$	36,793

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

Transfers and allocations are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the fiscal year ending June 30, 2025 consisted of transfers to the food service fund and pupil activity fund from the general fund in the amount of \$120,500 and \$75,059, respectively.

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Governmental Activities				
Non-Depreciable Assets:				
Land	\$ 488,022	\$ -	\$ -	\$ 488,022
Construction in Progress	-	-	-	-
Total Non-Depreciable Assets	488,022	-	-	488,022
Depreciable Assets:				
Buildings & Improvements	9,846,474	-	-	9,846,474
Transportation Equipment	762,091	-	-	762,091
Equipment	1,252,389	11,148	6,270	1,257,267
Total Depreciable Assets	11,860,954	11,148	6,270	11,865,832
Less Accumulated Depreciation for:				
Building & Improvements	3,616,974	406,925	-	4,023,899
Transportation Equipment	758,406	1,843	-	760,249
Equipment	803,555	23,022	4,833	821,744
Total Accumulated Depreciation	5,178,935	431,790	4,833	5,605,892
Total Capital Assets, Net	\$ 7,170,041	(\$ 420,642)	(\$ 1,437)	\$ 6,747,962

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

Governmental Activities:	
Transportation	\$ 1,843
Custodial and maintenance	429,038
Other support services	909
Total Depreciation Expense – Governmental Activities	\$ 431,790

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 7 - ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine months. Accrued benefits represents the School District's 21.4% contribution to P.E.R.A. on the accrued salaries. The salaries and benefits earned, but unpaid, as of June 30, 2025, are \$324,618 and will be paid during the 2025-2026 fiscal year. Accordingly, the accrued salaries are reflected as a liability in the accompanying financial statements.

NOTE 8 – LONG-TERM LIABILITIES

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

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2025</u>	<u>Current Portion</u>
Equipment Lease Purchase – Series 2020	\$ 1,714,722	\$ -	\$ 74,258	\$ 1,640,464	\$ 81,769
Compensated Absences	-	46,725	-	46,725	46,725
Total Equipment and Other Obligations	1,714,722	46,725	74,258	1,687,189	128,494
Net OPEB Liability	113,131	-	37,913	75,218	-
Net Pension Liability	4,685,051	-	446,129	4,238,922	-
Total Long-Term Liabilities	<u>\$ 6,512,904</u>	<u>\$ 46,725</u>	<u>\$ 558,300</u>	<u>\$ 6,001,329</u>	<u>\$ 128,494</u>

Financed Lease

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 81,769	\$ 65,280	\$ 147,049
2027	85,031	62,018	147,049
2028	88,424	58,625	147,049
2029	91,952	55,097	147,049
2030	95,621	51,428	147,049
2031-2035	538,473	196,772	735,245
2036-2040	659,194	76,051	735,245
Total	<u>\$ 1,640,464</u>	<u>\$ 565,271</u>	<u>\$ 2,205,735</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Tax, Revenue, Spending and Debt Limitation

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

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies establish an "emergency reserve". To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended June 30, 2025, the School District's reserve requirement was approximately \$139,000 which represents 3% of fiscal year spending. The District has recognized the emergency reserve in the General Fund.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

Federal and State Grants

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

Economic Dependency

Funding provided by the State to all public school systems in Colorado is primarily based upon the October 1 student count. The State provided \$3,309,628, which represents approximately 72% of the District's total governmental fund revenues for the year.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

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

Benefits Provided as of December 31, 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 the years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided as of December 31, 2024 (Continued)

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

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

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

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

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

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

Contributions Provisions as of June 30, 2025

Eligible employees of Prowers County School District RE-1 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. §24-51-401, *et seq.* and §24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below.

	<u>July 1, 2024 Through June 30, 2025</u>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. §24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. §24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. §24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Contributions Provisions as of June 30, 2025 (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Prowers County School District RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Prowers County School District RE-1 were \$386,927 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. §24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. 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 Division 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 Prowers County School District RE-1 proportion of the net pension liability was based on Prowers County School District RE-1 contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the Prowers County School District RE-1 reported a liability of \$4,238,922 for its proportionate share of the net pension liability that reflected an decrease for support from the State as a nonmember contributing entity. The amount recognized by the Prowers County School District RE-1 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Prowers County School District RE-1 were as follows:

The District’s proportionate share of the net pension liability	\$	4,238,922
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		380,722
Total	\$	4,619,644

At December 31, 2024, the Prowers County School District RE-1 proportion was .0245690163%, which was a decrease of .0019263921% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Prowers County School District RE-1 recognized pension expense of \$301,277 and revenue of \$34,752 for support from the State as a nonemployer contributing entity.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2025, the Prowers County School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 122,526	\$ -
Changes of assumptions or other inputs	22,571	-
Net difference between projected and actual earnings on pension plan investments	(4,694)	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	154,870	(34,786)
Contributions subsequent to the measurement date	201,667	-
Total	\$ 496,940	\$ (34,786)

\$201,667 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, 2025. 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,	
2026	\$ 322,332
2027	110,454
2028	(117,892)
2029	(54,407)
2030	-
	\$ 260,487

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*	Financed by the AIR

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

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.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.

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

- **Males:** 97% of the rates for all ages.
- **Females:** 105% of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of the 2020 experience analysis, dated October 28, 2020 for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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.

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

- **Males:** 106% of the rates fore all ages.
- **Females:** 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

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

- **Males:** 92% of the rates for all ages.
- **Females:** 100% of the rates for all ages.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 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 assets/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 percentage and then adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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 assessment, Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 5,746,996	\$ 4,238,922	\$ 2,975,699

Pension Plan Fiduciary Net Position

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 11 – DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

Employees of the Prowers County School District RE-1 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resoureces/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. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2025 program members contributed \$10,004 for the PERAPlus401(k) Plan.

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

Summary of Significant Accounting Policies

OPEB

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

General Information about the OPEB Plan

Plan Description

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

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.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Benefits Provided (Continued)

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Prowers County School District RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Prowers County School District RE-1 were \$19,365 for the year ended June 30, 2025.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

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

At June 30, 2025, the Prowers County School District RE-1 reported a liability of \$75,218 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 Prowers County School District RE-1 proportion of the net OPEB liability was based on Prowers County School District RE-I contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Prowers County School District RE-I proportion was 0.0157305228%, which was a decrease of 0.000120236% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Prowers County School District RE-1 recognized OPEB income of \$36,742. At June 30, 2025, the Prowers County School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (17,840)
Changes of assumptions or other inputs	(1,551)	(13,622)
Net difference between projected and actual earnings on OPEB plan investments	2,361	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,390	(629)
Contributions subsequent to the measurement date	10,093	-
Total	\$ 15,293	\$ (32,191)

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

\$10,093 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, 2025. 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,	
2026	\$ (8,297)
2027	(8,387)
2028	(9,342)
2029	896
2030	(1,036)
2031	(825)
	<u>\$ (26,991)</u>

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions

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

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation:				
Members other than Safety Officers	3.30%-10.90%	3.4%-11.00%	3.2%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			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 4.5% in 2034	
Medicare Part A premiums			3.50% in 2023, gradually increasing to 4.5% in 2035	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) 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 \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the United Healthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the United Healthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions (Continued)

		<u>Age-Related Morbidity Assumptions</u>			
<u>Participant</u>		<u>Annual Increase</u>		<u>Annual Increase</u>	
<u>Age</u>		<u>(Male)</u>		<u>(Female)</u>	
65-68		2.2%		2.3%	
69		2.8%		2.2%	
70		2.7%		1.6%	
71		3.1%		0.5%	
72		2.3%		0.7%	
73		1.2%		0.8%	
74		0.9%		1.5%	
75-85		0.9%		1.3%	
85 and older		0.0%		0.0%	

		<u>MAPD PPO #1 with Medicare Part A Retiree/Spouse</u>		<u>MAPD PPO #2 with Medicare Part A Retiree/Spouse</u>		<u>MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse</u>	
<u>Sample Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575	
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763	
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853	

		<u>MAPD PPO #1 without Medicare Part A Retiree/Spouse</u>		<u>MAPD PPO #2 without Medicare Part A Retiree/Spouse</u>		<u>MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse</u>	
<u>Sample Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866	
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563	
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900	

The 2024 Medicare Part A premium is \$505 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.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions (Continued)

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>MAPD PPO #21</u>	<u>Medicare Part A Premiums</u>
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%

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

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, valuation for the HCTF, but developed using 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 State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

- **Males:** 97% of the rates for all ages.
- **Females:** 105% of the rates for all ages.

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions (Continued)

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

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

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 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 OPEB liability from December 31, 2023, to December 31, 2024.

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.0%-13.40%	3.4%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

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

- 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.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$1,824	\$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions (Continued)

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	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 age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Actuarial Assumptions (Continued)

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 rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019 meeting, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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 Prowers County School District RE-1 Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate*	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 73,191	\$ 75,218	\$ 77,512

*For the January 1, 2025 plan year

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

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

Discount Rate

The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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.
- 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 payments allocations to the HCTF and Local Government Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

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

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

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>Rate (7.25%)</u>	<u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ 92,181	\$ 75,218	\$ 60,594

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/forms-resources/financial-reports-and-studies.

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES

Government-Wide Net Position

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

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

The specific purposes for each net position classification on the statement of financial position are detailed in the table below:

Invested in capital assets, net of related debt		<u>\$ 5,107,498</u>
Restricted		
Tabor	139,000	
Preschool	20,504	
Food Service	<u>4,643</u>	
Total Restricted		<u>164,147</u>
Unrestricted		<u>(413,119)</u>
Total Net Position		<u>\$ 4,858,526</u>

Governmental Fund Balances

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

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

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

NOTES TO FINANCIAL STATEMENTS
PROWERS COUNTY SCHOOL DISTRICT RE-1
For the year ended June 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

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

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Nonmajor Fund</u>	<u>Total Government Funds</u>
Nonspendable				
Inventory	\$ -	\$ 6,768	\$ -	\$ 6,768
Restricted				
Emergencies	139,000	-	-	139,000
Preschool	20,504	-	-	20,504
Food Service	-	4,643	-	4,643
Assigned				
Pupil Activity	-	-	28,606	28,606
Unassigned				
General Government	<u>3,488,116</u>	<u>-</u>	<u>-</u>	<u>3,488,116</u>
Total Fund Balances	<u>\$ 3,647,620</u>	<u>\$ 11,411</u>	<u>\$ 28,606</u>	<u>\$ 3,687,637</u>

NOTE 14 - COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

NOTE 15 - JOINT VENTURES

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

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

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGET BASIS)

GENERAL FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2025

	Budgeted Amount		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local property tax	\$ 461,349	\$ 461,349	\$ 485,572	\$ 24,223
Specific ownership tax	68,115	68,115	71,602	3,487
State sources	3,074,476	3,074,476	3,308,012	233,536
Federal sources	451,043	451,043	124,050	(326,993)
Other sources	303,390	303,390	314,178	10,788
Total Revenues	<u>4,358,373</u>	<u>4,358,373</u>	<u>4,303,414</u>	<u>(54,959)</u>
Expenditures				
Instructional service	2,677,332	2,677,332	2,276,826	400,506
Student support	79,318	79,318	76,478	2,840
Staff support	97,387	97,387	103,103	(5,716)
General administration	268,609	268,609	299,495	(30,886)
School administration	60,058	60,058	59,683	375
Operations & maintenance of facilities	744,416	744,416	761,455	(17,039)
Transportation	176,428	176,428	138,492	37,936
Central services	89,878	89,878	78,990	10,888
Other services	49,931	49,931	49,931	-
Debt service - principal	-	-	74,258	(74,258)
Debt service - interest	-	-	72,791	(72,791)
Total Expenditures	<u>4,243,357</u>	<u>4,243,357</u>	<u>3,991,502</u>	<u>251,855</u>
Excess of Revenues Over (Under) Expenditures	<u>115,016</u>	<u>115,016</u>	<u>311,912</u>	<u>196,896</u>
Other Financing Sources (Uses)				
Transfers to other funds	<u>(161,059)</u>	<u>(161,059)</u>	<u>(195,559)</u>	<u>(34,500)</u>
Total Other Financing Sources (Uses)	<u>(161,059)</u>	<u>(161,059)</u>	<u>(195,559)</u>	<u>(34,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(46,043)</u>	<u>(46,043)</u>	<u>116,353</u>	<u>162,396</u>
Fund Balances - July 1	<u>2,741,899</u>	<u>2,741,899</u>	<u>3,531,267</u>	<u>789,368</u>
Fund Balances - June 30	<u>\$ 2,695,856</u>	<u>\$ 2,695,856</u>	<u>\$ 3,647,620</u>	<u>\$ 951,764</u>

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

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

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

The schedule is presented to show information for ten years.

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

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

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

The schedule is presented to show information for ten years.

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

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

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

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES EXPENSES AND CHANGE IN NET ASSETS

BUDGET AND ACTUAL (BUDGET BASIS)

FOOD SERVICE FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2025

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 64,000	\$ 64,000	\$ 127,081	\$ 63,081
State sources	-	-	1,616	1,616
Local sources	<u>34,300</u>	<u>34,300</u>	<u>2,125</u>	<u>(32,175)</u>
Total Revenues	<u>98,300</u>	<u>98,300</u>	<u>130,822</u>	<u>32,522</u>
Expenditures				
Salaries	88,190	88,190	76,059	12,131
Fringe benefits	51,033	51,033	48,194	2,839
Purchased services	300	300	-	300
Supplies	71,000	71,000	113,512	(42,512)
Capital outlay	<u>-</u>	<u>-</u>	<u>11,148</u>	<u>(11,148)</u>
Total Expenditures	<u>210,523</u>	<u>210,523</u>	<u>248,913</u>	<u>(38,390)</u>
Excess of Revenues Over (Under) Expenditures	(112,223)	(112,223)	(118,091)	(5,868)
Other Financing Sources (Uses)				
Transfers from other funds	<u>86,000</u>	<u>86,000</u>	<u>120,500</u>	<u>34,500</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(26,223)	(26,223)	2,409	28,632
Fund Balances - July 1	<u>71,965</u>	<u>71,965</u>	<u>9,002</u>	<u>(62,963)</u>
Fund Balances - June 30	<u>\$ 45,742</u>	<u>\$ 45,742</u>	<u>\$ 11,411</u>	<u>\$ (34,331)</u>

STATEMENT OF REVENUES EXPENSES AND CHANGE IN NET ASSETS

BUDGET AND ACTUAL (BUDGET BASIS)

PUPIL ACTIVITY FUND

PROWERS COUNTY SCHOOL DISTRICT RE-1

For the year ended June 30, 2025

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	<u>160,000</u>	<u>160,000</u>	<u>177,500</u>	<u>17,500</u>
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>177,500</u>	<u>17,500</u>
Expenditures				
Salaries	-	-	-	-
Fringe benefits	-	-	-	-
Purchased services	34,000	34,000	91,054	(57,054)
Supplies	106,000	106,000	120,229	(14,229)
Capital outlay	-	-	-	-
Travel	70,000	70,000	72,014	(2,014)
Contingency	-	-	-	-
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>283,297</u>	<u>(73,297)</u>
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(105,797)	(55,797)
Other Financing Sources (Uses)				
Transfers from other funds	<u>75,059</u>	<u>75,059</u>	<u>75,059</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	25,059	25,059	(30,738)	(55,797)
Fund Balances - July 1	<u>142,171</u>	<u>142,171</u>	<u>59,344</u>	<u>(82,827)</u>
Fund Balances - June 30	<u>\$ 167,230</u>	<u>\$ 167,230</u>	<u>\$ 28,606</u>	<u>\$ (138,624)</u>

RECONCILIATION OF AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY
CHECK FIGURES TO GOVERNMENTAL FUND FINANCIAL STATEMENTS
 PROWERS COUNTY SCHOOL DISTRICT RE-1
 For the year ended June 30, 2025

	Balance Per <u>CDE</u>	<u>Rounding</u>	Balance Per Governmental Fund Financial <u>Statements</u>
<u>Total Assets</u>	4,132,332	(1)	4,132,331
<u>Total Revenues</u>	4,611,737	(1)	4,611,736

The accompanying notes are an integral part of this schedule.

RECONCILIATION OF AUDITOR'S ELECTRONIC FINANCIAL DATA INTEGRITY
CHECK FIGURES TO GOVERNMENTAL FUND FINANCIAL STATEMENTS
 PROWERS COUNTY SCHOOL DISTRICT RE-1
 For the year ended June 30, 2025

	<u>Balance Per CDE</u>	<u>Rounding</u>	<u>Item Reclassification on Balance Sheet</u>	<u>Balance per Governmental Fund Financial Statements</u>
Bolded Balance Sheet Report				
<u>General Fund</u>				
Cash and investments	3,829,683	1	-	3,829,684
<u>Special Revenue Funds</u>				
Other payables	6,170	1	-	6,171

The accompanying notes are an integral part of this schedule.

COLORADO SCHOOL DISTRICT AUDITOR'S ELECTRONIC
FINANCIAL DATA INTEGRITY CHECK FIGURES
 PROWERS COUNTY SCHOOL DISTRICT RE-1
 For the year ended June 30, 2025

	<u>Balance</u> <u>Per</u> <u>CDE</u>	<u>Balance</u> <u>Per</u> <u>District</u>	<u>Variance</u>	<u>Explanation</u>
Warnings				
<u>Healthy School Meals - Lunch</u>				
Grant Code: 3162				
Receipts	\$ 777.94	\$ 729.82	\$ 48.12	48.12 - CDE receipt dated June 26, 2025, District receipted July-2025
<u>Healthy School Meals - Breakfast</u>				
Grant Code: 3163				
Receipts	\$ 150.48	\$ 138.60	\$ 11.88	11.88 - CDE receipt dated June 26, 2025, District receipted July-2025
<u>School Breakfast Program</u>				
Grant Code: 4553				
Receipts	\$ 22,959.80	\$ 21,230.74	\$ 1,729.06	1,729.06 - CDE receipt dated June 26, 2025, District receipted July-2025

The accompanying notes are an integral part of this schedule.