

PUEBLO SCHOOL DISTRICT NO. 60

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2025

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Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pueblo School District No. 60

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pueblo School District No. 60, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Pueblo School District No. 60'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pueblo School District No. 60, as of June 30, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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 Auditing 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 Pueblo School District No. 60 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Pueblo School District No. 60 implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design,

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pueblo School District No. 60'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Pueblo School District No. 60's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pueblo School District No. 60's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo School District No. 60's basic financial statements. The accompanying combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2026 on our consideration of the Pueblo School District No. 60's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pueblo School District No. 60's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pueblo School District No. 60's internal control over financial reporting and compliance.

Hoelting & Company Inc.

Colorado Springs, Colorado
February 28, 2026

Pueblo School District No. 60

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the fiscal year ended June 30, 2025

Management of Pueblo School District No. 60 (the "District") offers readers of the district's annual financial report this narrative overview and analysis of the economic activities of the district for the fiscal year ending June 30, 2025. We encourage readers to consider the information presented here in conjunction with the district's financial statements, notes to the financial statements, and various supplementary information which follow this section.

FINANCIAL HIGHLIGHTS

The district implemented the required Government Accounting Standards Board, (GASB) No. 68 in 2015. As of June 30, 2025, the net pension liability decreased from \$278,850,689 to \$241,755,713, a net of \$37,094,976. Under GASB No. 68, the proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association (PERA), is included as a liability of the district.

The district's total combined net position decreased by \$15,726,534 to \$37,258,641 on June 30, 2025, which compares to \$52,985,175 as of June 30, 2024. The most significant portion of the district's net position is its investment in capital assets of \$175,980,268 net of accumulated depreciation and related debt compared to \$175,125,247 the previous year, an increase of \$855,021.

During the year, the district had \$223,835,805 in expenses related to governmental activities, of which \$51,979,226 are offset by program-specific charges or grants and contributions.

The district decreased its outstanding long-term debt by \$31,493,472. The outstanding long-term debt includes \$237,332,165 in general obligation bonds and capital lease agreements. Additional long-term liabilities include accrued compensated absences of \$25,960,216, the net pension liability of \$241,755,713, the net OPEB obligations of \$4,289,431, and the post-employment OPEB of \$4,246,403.

Of the total \$116,409,900 ending fund balance in the governmental funds, \$5,250,000 is restricted for TABOR as required under Article X, Section 20 of the Colorado Constitution, \$19,225,865 is restricted for debt service, \$15,421,534 is for capital projects and \$4,361,832 is for multi-year obligations. The assigned portion of the fund balance is \$43,885,977 and includes funds related to Athletics, Risk Management, Capital Projects, School obligations, and Board of Education required contingencies. The committed portion of the fund balance is \$13,890,833, including funds related to food service operations, Pupil Activities, and Education Foundation activities. The non-spendable fund balance of \$2,715,469 is related to prepaid expenditures. The unassigned portion is \$11,658,390.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduce the basic financial statements of Pueblo School District No. 60. The district's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information besides the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the district's finances like a private-sector business.

The statement of net position presents information on all District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a helpful indicator of whether the district's financial position is improving or deteriorating. However, fluctuations from year to year need to be reviewed in light of the timing of funding.

The statement of activities presents information reporting how the district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. These items include earned but unused vacation leave and accrued interest expense. However, the most significant increase in total liabilities occurred due to the recognition of the net pension liability because of the implementation of the GASB No. 68, Accounting and Financial Reporting for Pensions – an amendment to GASB No. 27.

The governmental activities of the district include instruction, pupil activities, instructional support, general and school administration, business and central services, and transportation. Nutrition services activities are reported in a Special Revenue Fund, Risk related activities are recorded in the Internal Service Funds. They are considered governmental activities in government-wide financial statements.

The government-wide financial statements include the district itself (the primary government) and two legally separate entities (charter schools) for which the district is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund Financial Statements

Fund groups related accounts that control resources segregated for specific activities or objectives. The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds fall into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the district's general government operations and may help evaluate the district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is helpful. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. To facilitate this comparison between

governmental funds and governmental activities, reconciliations are provided for the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The district maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance for the General Fund, Designated Purpose Grant Fund, Bond Redemption Fund, Building Fund, and Capital Projects Fund all considered major funds. Data from other non-major governmental funds are combined into a single, aggregated presentation. Combining statements for individual non-major governmental funds, if applicable, are presented elsewhere in the report.

Proprietary funds: The District maintains one proprietary fund. The district uses an internal service fund to account for its risk-related expenditures. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as government-wide financial statements, meaning they use the accrual basis of accounting rather than modified accrual.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information essential for fully understanding the data provided in the government-wide and fund financial statements. This information is provided on pages 13- 51.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the district. The district adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General and Designated Purpose Grants funds to demonstrate compliance with the budget.

Other information

The statements concerning non-major governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a helpful indicator of the district's financial position over time. For the District's primary government, excluding its component units (charter schools), liabilities plus deferred inflows of resources exceed its assets plus deferred outflows by \$37,258,641, resulting in a net surplus position on June 30, 2025.

PUEBLO SCHOOL DISTRICT NO. 60 CONDENSED STATEMENT OF NET POSITION GOVERNMENTAL ACTIVITIES			
	6/30/2025	6/30/2024	CHANGE
CURRENT & OTHER ASSETS	\$145,709,848	\$164,821,695	\$(19,318,875)
CAPITAL ASSETS - NET OF DEPRECIATION	<u>398,703,390</u>	<u>393,696,348</u>	<u>5,007,042</u>
TOTAL ASSETS	<u>544,413,238</u>	<u>558,518,043</u>	<u>(4,311,833)</u>
DEFERRED OUTFLOWS PENSION AND OPEB	<u>56,888,469</u>	<u>87,806,112</u>	<u>(30,917,643)</u>
TOTAL DEFERRED OUTFLOWS	<u>56,888,469</u>	<u>87,806,112</u>	<u>(30,917,643)</u>
LIABILITIES	24,032,809	27,989,865	(5,164,084)
LONG-TERM LIABILITIES	<u>514,084,344</u>	<u>545,577,816</u>	<u>(31,493,472)</u>
TOTAL LIABILITIES	<u>538,117,153</u>	<u>573,567,681</u>	<u>(35,657,556)</u>
DEFERRED INFLOWS PENSION AND OPEB	<u>25,925,913</u>	<u>19,771,299</u>	<u>(6,154,614)</u>
TOTAL DEFERRED INFLOWS	<u>25,925,913</u>	<u>19,771,299</u>	<u>(6,154,614)</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	175,980,268	176,125,247	(144,979)
RESTRICTED	28,837,697	25,586,523	3,251,174
UNRESTRICTED	<u>(167,559,324)</u>	<u>(148,726,595)</u>	<u>18,832,729</u>
NET POSITION	<u>\$37,258,641</u>	<u>\$52,985,175</u>	<u>\$(15,726,534)</u>

Cash and investments comprise 24.5% of total assets compared to 25.9% the prior year. 26.2% of cash and investments are restricted in the district for maintenance of capital assets and reserved to repay debt. Capital assets, which reflect the district's investment in real, personal property, and equipment, currently comprise 73.2% of total assets compared to 70.5% the previous year, an increased net of depreciation of \$5,007,042.

Deferred outflows of resources exceeded deferred inflows by \$30,962,556, with 95.2% attributed to the net pension liability.

A key component of the district's net governmental position is the sizeable net pension liability of \$241,755,713. Before implementing Statement 68 from the Governmental Accounting Standards Board (GASB), the district was not required as a contributor to PERA to record its share of the net pension liability. Notes 1 and 8 to the basic financial statements outline the implementation of GASB No. 68.

A portion of the district's net position reflects its \$175,980,268 investment in capital assets net of accumulated depreciation and related debt. The district uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the district's net position represents resources subject to external restrictions on their use. On June 30, 2025, the net position totaling \$28,837,697 was restricted with \$19,225,865 for debt service, \$4,361,832 restricted for multi-year obligations, and \$5,250,000 restricted for the TABOR emergency contingency.

On June 30, 2025, the District reported a positive net position for the district as a whole.

**CONDENSED STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES**

	2025	2024	NET CHANGE
REVENUES			
CHARGES FOR SERVICES	\$ 4,533,279	\$ 6,137,674	\$ (1,604,395)
OPERATING, CAPITAL GRANTS AND CONTRIBUTIONS	47,445,947	100,590,558	(53,351,638)
PROPERTY TAXES	52,083,708	49,728,853	2,354,855
SPECIFIC OWNERSHIP TAXES	4,565,978	4,644,596	(78,618)
STATE EQUALIZATION	109,738,381	103,024,656	6,713,725
OTHER	<u>7,987,537</u>	<u>9,677,455</u>	<u>(1,689,918)</u>
TOTAL REVENUES	<u>226,354,830</u>	<u>273,803,792</u>	<u>(47,655,989)</u>
EXPENDITURES			
INSTRUCTION	106,066,689	103,695,374	2,258,388
SUPPORTING SERVICES	96,551,539	109,832,691	(13,375,252)
COMMUNITY SERVICES	159,275	429,026	(269,751)
CAPITAL PROJECTS	1,376,679	27,283,602	(25,906,923)
NUTRITION SERVICE	9,362,576	9,403,683	(41,107)
INTEREST & OTHER CHARGES	<u>10,319,047</u>	<u>7,384,471</u>	<u>2,934,576</u>
TOTAL EXPENDITURES	<u>223,835,805</u>	<u>258,028,847</u>	<u>(34,400,069)</u>
CHANGE IN NET POSITION	<u>2,519,025</u>	<u>15,774,945</u>	<u>(13,255,920)</u>
NET POSITION – BEGINNING	34,739,616	37,210,230	(2,470,614)
NET POSITION - ENDING	<u>\$ 37,258,641</u>	<u>\$ 52,985,175</u>	<u>\$ (15,726,534)</u>

Overall revenues for the district decreased in fiscal 2025 by \$47,655,989. This decrease was partly due to Operating, Capital Grants and Contributions. District and state taxpayers funded most District governmental activities. For the fiscal year 2025, this portion of governmental activities funding included \$52,083,708 in property taxes, \$4,565,978 in specific ownership tax, and \$109,738,381 of unrestricted state equalization based on the statewide total program education funding formula, \$4,668,804 in investment income, \$588,779 in non-restricted grants and contributions, \$1,282,797 in gain on sale of capital assets, and miscellaneous revenues of \$1,447,160. Some users of the district's governmental programs paid \$4,533,279 for services provided. The federal and state governments subsidized specific programs with capital/operating grants and contributions totaling \$47,238,920.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

As noted earlier, Pueblo School District No. 60 used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The Districts' governmental funds focus on information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the major operating fund of the district, providing most of the resources for the educational and support programs. Revenues and other financing resources for the General Fund totaled \$166,726,032 in fiscal year 2024-25, an increase of \$3,053,323 from fiscal year 2023-24. The following table reflects the amount of revenue from various sources.

PUEBLO CITY SCHOOL DISTRICT No. 60 GENERAL FUND SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES				
	2025	2024	INCREASE/ (DECREASE)	PERCENT CHANGE
SCHOOL FINANCE FUNDING				
PROPERTY & OTHER TAXES	\$ 33,615,493	\$ 34,214,599	\$ (599,106)	(1.75)%
SPECIFIC OWNERSHIP TAXES	3,029,870	3,065,006	(35,136)	(1.15)%
STATE EQUALIZATION	<u>109,738,381</u>	<u>103,024,656</u>	<u>6,713,725</u>	6.52%
SCHOOL FINANCE TOTAL	<u>146,383,744</u>	<u>140,304,261</u>	<u>6,079,483</u>	4.33%
OTHER LOCAL SOURCES	5,955,338	7,458,337	(1,502,999)	(20.15)%
OTHER STATE SOURCES	14,057,688	15,575,823	(1,518,135)	(9.75)%
FEDERAL OTHER	<u>329,262</u>	<u>334,288</u>	<u>(5,026)</u>	(1.50)%
TOTAL SCHOOL FINANCE FUNDING AND OTHER REVENUES	<u>\$ 166,726,032</u>	<u>\$ 163,672,709</u>	<u>\$ 3,053,323</u>	1.87%

Property Taxes: Net property tax collections decreased by \$599,106. An decrease indicates an decrease in the assessed values of property located in the district's boundaries and in the number of residential or business properties.

Specific Ownership Tax: A specific ownership tax is applied to the fair market value of vehicles or other taxable personal property (i.e., boats) registered in Colorado. The tax is collected when owners renew their registrations each year. Revenue from specific ownership tax collected decreased by \$35,136.

State Equalization: State equalization revenue is the state's share of "total program funding" provided under the Public-School Finance Act for pre-kindergarten through 12th-grade education. Public School Finance Act revenue comprised 65.8% of general fund revenues 2024-25 compared to 62.9% in 2023-24.

Other Local Sources: Other local sources of revenue include interest income, tuition paid by other school districts for detention center services, services purchased by the district's charter schools, indirect cost recovery from federal grants, and a variety of other miscellaneous revenue sources. The decrease of \$1,502,999 in local revenue is mainly related to the decrease in indirect revenue. Decreases were seen in the other categories. An increase in tuition revenue of \$71,901 is due to higher participation in FY 25 compared to FY 24.

Other State Sources: This revenue decreased by \$1,518,135, in 2025. This total includes categorical revenue from the state (i.e., Additional at Risk and ECEA funding). Decreases from the previous year were primarily due to decrease in Hold Harmless funding in 2025.

Federal Sources: The primary sources of federal revenue in the general fund are Reserve Officer Training Corps (ROTC) reimbursements, Impact Aid revenue, and Charter School start-up grants. The decrease in federal income of \$5,026 is the loss of Impact Aid revenue in FY 25. The JROTC revenue actually increased by \$34,244.

PUEBLO CITY SCHOOL DISTRICT No. 60
GENERAL FUND
SCHEDULE OF EXPENDITURES

	2025	2024	INCREASE/ (DECREASE)	PERCENT CHANGE
INSTRUCTION	\$ 96,089,744	\$ 85,325,845	\$ 10,763,899	12.62%
STUDENT SUPPORT	13,188,461	11,647,862	1,540,599	13.23%
INSTRUCTIONAL STAFF SUPPORT	6,502,854	5,758,016	744,838	12.94%
GENERAL ADMINISTRATION	1,960,360	1,953,874	6,486	0.33%
SCHOOL ADMINISTRATION	13,206,506	12,252,998	953,508	7.78%
BUSINESS SERVICES	2,394,862	2,101,128	293,734	13.98%
OPERATIONS & MAINTENANCE	22,251,918	20,635,635	1,616,283	7.83%
STUDENT TRANSPORTATION	2,802,516	3,022,559	(220,043)	-7.28%
CENTRAL SUPPORT SERVICES	6,507,442	6,039,125	468,317	7.75%
OTHER SUPPORT SERVICES	2,217,825	2,673,640	(455,815)	-17.05%
COMMUNITY SERVICES	6,120	506	5,618	1,109.49%
DEBT SERVICE	1,088,093	1,053,415	34,678	3.29%
FACILITY ACQUISITION & CONSTRUCTION	<u>760,106</u>	<u>522,776</u>	<u>237,330</u>	45.40%
GRAND TOTAL EXPENDITURES	<u>\$ 168,976,807</u>	<u>\$ 152,987,379</u>	<u>\$ 10,441,485</u>	7.32%

Instruction: Instruction costs for the fiscal year 2024-25 increased by \$10,763,899 or 12.62%, compared to the prior year. The expenses were primarily a response to the district's increase in overall costs due to an increase negotiated salaries, which directly impacts PERA/Medicare expenditures.

Student Support Services: Student support services (guidance, counselors, health/nurses, psychologists, social workers, audiologists, student intervention, physical and occupational therapists) expenditures increased by 13.23%, up \$1,540,599 from the previous year. The increases were in salaries.

Instructional Staff Support: Instructional staff support service expenditures had a 12.94% increase, up \$744,838 from the prior year. The increases were in salaries, purchased services and supplies.

General Administration: General administration expenditures increased \$6,486. The increases were in salaries and purchased services.

School Administration: School administration costs increased by \$953,508 or 7.78%. The increases were in salaries, purchased services and supplies.

Business Services: Business services expenditures increased 13.98%, up \$293,734 from the prior year. The increase is due mainly to salaries.

Maintenance and Operations: Facilities operations and maintenance increased by \$1,616,283. Due in part to increased salary and benefits increases based on negotiated contracts.

Transportation Services: Transportation costs decreased by \$220,043 or 7.28% over the prior year.

Central Services: Central services comprise Human Resources, Technology, and Workman's Compensation costs. Spending in this category increased \$468,317 mainly due to significant increase in salaries and benefits.

OTHER MAJOR FUNDS

Governmental Designated Purpose Grant Fund: The designated purpose grant fund maintains separate accounts for each federal, state, and local grant-funded program. Grant funds are awarded for specific use as defined in the grant application. The funds are used for the purposes they were granted, primarily to improve student achievement. Grant revenues in FY 2024-25 were \$22,981,279, a decrease of \$28,992,094 from the prior year. The decrease can be attributed to several changes in funding during FY 2024-25, mainly due to the Elementary and Secondary School Emergency Relief Fund (ESSER II grant ending on September 30, 2025, as well as an increase in ESSER III activity as the three HVAC projects conclude. The school district was awarded a \$15 million MSAP (Magnet Schools Assistance Program) Federal Grant to provide STREAM (Science, Technology, Engineering, Arts, and Mathematics), of which Pueblo School District No. 60 spent \$2,393,129 in FY 25 as part of the planning process.

Bond Redemption Fund: Property tax collections in the Bond Fund totaled \$17,399,835 in 2024-25 compared to \$16,846,625 for 2023-24. Expenditures totaled \$17,921,811 in 2024-25 compared to \$17,935,684 in the prior year. The fund balance on June 30, 2025, is \$19,225,865 compared to \$19,026,948 in 2023-24. The fund balance is reserved for future debt payments (principal and interest) associated with the 2020 bonds.

Building Fund: The Building Fund was created to acquire capital assets, buildings, and equipment. Revenues in the Building Fund totaled \$1,062,761 during the year. Expenditures totaled \$12,793,262 during the year. The fund balance on June 30, 2025, is \$15,421,534.

Capital Projects Fund: The Capital Projects Fund accounts for significant capital expenditures. Revenues in the Capital Projects Fund totaled \$6,216,186, including \$0 in transfers, compared to \$9,800,000 in the prior year. Expenditures totaled \$9,272,472, compared with \$25,303,140 in the previous year. The Fund balance on June 30, 2025, is \$31,167,245 compared to \$34,223,531 in 2023-24.

OTHER GOVERNMENTAL FUNDS

The district reports the Education Foundation, Pupil Activity, and Food Services Funds in the non-major governmental fund group. Information for the non-major governmental funds is aggregated and reported as other governmental funds on the statement of revenues, expenditures, and changes in fund balances. Further details by the fund are reported as part of this report's other supplementary information section.

Education Foundation Fund: The Education Foundation Fund accounts for private gifts and donations to support the district's and its students' instructional functions through scholarships. Donations, gifts, and miscellaneous revenue totaled \$118,706 for 2024-25, up from \$45,101 in 2023-24, an increase of \$73,605.

Pupil Activity Fund: The Fund accounts for revenues and expenditures related to school-sponsored student interscholastic and interscholastic athletic and other related activities.

Food Service Fund: As of July 1, 2015, the Food Service Fund was reclassified as a Special Revenue Fund from an Enterprise Fund. Enterprise Funds are used to account for financed and operated operations like private business enterprises, where the intent is for the cost of providing goods or services to be financed or recovered primarily through user charges. Due to the implementation of GASB 68, the Food Service Fund could no longer be classified as an Enterprise Fund since it could not sustain the burden of recording a net pension liability. The Food Service Fund accounts for financial activities associated with the school lunch and breakfast programs. Revenues primarily come from the Federal Child Nutrition Act. The adoption impacts local revenues by the District of the Community Eligibility Provision (CEP). The CEP is a meal service option for school districts in low-income areas. The CEP allows

the district to serve breakfast and lunch at no cost to all enrolled students. However, the District has had several locations move from free and reduced classification to pay as the district approaches the five-year renewal process. The resulting government reimbursements totaled \$10,105,018 for 2024-25 compared to \$10,556,546 for 2023-24, an decrease of \$451,528. The net position of the Food Service Fund increased by \$669,866 to \$10,971,968 as of June 30, 2025, compared to \$10,302,102 for 2023-24. Modifications to the reimbursement rates and remote feeding activities all positively impacted the net position. During the fiscal year 2024-25, local revenues totaled \$338,661, compared to \$348,006 the prior year.

PROPRIETARY FUNDS

The district's proprietary funds provide the same information found in the government-wide financial statements but in more detail. Proprietary funds account for operations that are organized to be self-supporting through user charges. The district's proprietary funds consist of one internal service fund.

Internal Service Fund: Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the district on a cost reimbursement basis. The district's internal service funds are used to account for risk-related activities.

Risk Management Fund: This internal service fund accounts for the district's self-insured programs and risk management functions. The risk management fund provides the ability to analyze risk programs by balance sheet and income statement categories. The district maintains a self-insured dental and workers' compensation program. Revenues to support these activities originate from two primary sources: 1) employee payroll deductions and District contribution for dental premiums, and 2) workers' compensation user fees charged to funds that pay salaries. Expenditures include claims and plan administration for dental and workers' compensation self-insurance. Stop-loss insurance to cover costs above costs related to work-related injuries, including loss of compensation and other expenditures to cover the consulting costs to manage the above programs.

Reserves must be adequate to provide financial stability for the district's self-funded risk management programs. Reserves should be accumulated to address fluctuations in the annual cost of workers' compensation and dental self-insured programs.

Charges for services totaled \$1,305,853, and expenses totaled \$1,992,690 in 2024-25 compared to \$1,410,838 and expenses totaling \$1,314,160 in 2023-24, respectively. Net position on June 30, 2025, totaled \$2,436,587 compared to \$3,123,176 at the beginning of the year, an decrease of \$686,589.

MAJOR FUND BUDGETARY HIGHLIGHTS

The budget for the fiscal year 2024-25 was adopted by the Board of Education on June 27, 2024 and amended on February 11, 2025 with total appropriations of \$364,052,454 made up of the following:

- \$205,246,511 for the general fund
- \$339,261 for the education foundation fund
- \$43,650,186 for the governmental designated purpose grants fund
- \$48,653,499 for the capital projects fund
- \$18,427,311 for the bond redemption fund
- \$12,944,801 for the nutrition services fund
- \$1,816,000 for the risk management fund
- \$4,669,804 for the pupil activity fund
- \$28,305,080 for the building fund

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets: The District's investment in capital assets for its governmental activities as of June 30, 2025, totaled \$398,703,390 (net of accumulated depreciation). Capital assets include land, buildings, improvements, machinery, vehicles and equipment, and construction in progress. The reader should refer to Note 5 of the Notes to the Financial Statements for further information relative to capital assets.

Long-term Debt: On June 30, 2025, the District had total long-term debt outstanding of \$263,792,797, of which \$10,831,611 is due during the next twelve months. Long-term debt includes general obligation bonds and obligations on capital leases. The reader should refer to Note 7 of the Notes to the Financial Statements for further information relative to long-term debt.

Component Units

Only summary information regarding component units appears in the district's financial statements. The reader should review the audited financial statements of each component unit, if available, for additional information. The district's component units, Chavez Huerta K-12 Preparatory Academy and Pueblo School for the Arts and Sciences issue separate audited financial statements.

FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

Colorado public schools receive funding from a variety of sources. However, most revenues to Colorado's 178 school districts are provided through the Public-School Finance Act of 1994 (as amended).

After rescission, the district received \$11,565.29 for 2024-2025 compared to 10,849.93 per pupil finding for 2023-2024, an increase of \$715.36 per pupil.

Pueblo School District No. 60 may experience a decrease in per-pupil funding should enrollment decrease. Since the majority of general operating funds are derived from student enrollment, changes in the student population will adversely affect the district's future financial condition. Modifications to the Colorado public schools funding formula based upon HB 24-1488 may decrease in funding in future years related to the elimination of districts with declining enrollment to averaging of the funded pupil count either in part or in total.

REQUESTS FOR INFORMATION

This financial report is designed to provide the district's citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. Questions about this report and requests for additional financial information can be obtained by contacting the Chief Financial Officer at 315 West 11th Street, Pueblo, CO 81003.

BASIC FINANCIAL STATEMENTS

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and investments	\$ 98,419,103	\$ 5,948,271
Restricted cash and investments	34,918,306	3,484,764
Taxes receivable	4,403,882	-
Intergovernmental receivables	4,606,588	346,885
Other receivables	646,500	289,725
Inventories and prepaid items	2,715,469	-
Capital assets, not being depreciated	64,591,989	1,376,122
Capital assets, net of accumulated depreciation	334,111,401	69,214,872
Total assets	<u>544,413,238</u>	<u>80,660,639</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	55,910,635	3,573,576
Deferred OPEB outflows	977,834	165,932
Total deferred outflows of resources	<u>56,888,469</u>	<u>3,739,508</u>
LIABILITIES		
Accounts payable and other current liabilities	6,164,491	705,920
Accrued salaries and benefits	9,403,416	-
Intergovernmental payable	-	23,663
Due to State for BEST grant repayment	-	22,948,953
Unearned revenue	8,108,062	82,599
Accrued interest	356,840	988,001
Long-term liabilities:		
Due within one year	10,831,611	973,719
Due in more than one year	252,961,186	45,107,544
Net pension liability	241,755,713	21,441,140
Net OPEB liability	8,535,834	397,090
Total liabilities	<u>538,117,153</u>	<u>92,668,629</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	22,948,416	4,873,318
Deferred OPEB inflows	2,977,497	397,077
Total deferred inflows of resources	<u>25,925,913</u>	<u>5,270,395</u>
NET POSITION		
Net investment in capital assets	175,980,268	24,498,733
Restricted for:		
Emergency reserve (TABOR)	5,250,000	745,000
Debt service	19,225,865	3,165,724
Other purposes	4,361,832	-
Unrestricted	(167,559,324)	(41,948,334)
Total net position	<u>\$ 37,258,641</u>	<u>\$ (13,538,877)</u>

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

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
Primary government						
Governmental activities						
Instruction	\$ 106,066,689	\$ 2,518,003	\$ 33,486,329	\$ -	\$ (70,062,357)	\$ -
Supporting services	96,551,539	1,974,391	1,799,148	-	(92,778,000)	
Food service operations	9,362,576	40,885	10,039,298	-	717,607	
Community services	159,275	-	-	-	(159,275)	
Facilities acquisition	1,376,679	-	-	2,121,172	744,493	
Interest and fiscal charges	10,319,047	-	-	-	(10,319,047)	
Total primary government	<u>\$ 223,835,805</u>	<u>\$ 4,533,279</u>	<u>\$ 45,324,775</u>	<u>\$ 2,121,172</u>	<u>(171,856,579)</u>	
Component units						
Charter schools	<u>\$ 22,440,294</u>	<u>\$ 83,588</u>	<u>\$ 12,528,547</u>	<u>\$ 770,533</u>		<u>(9,057,626)</u>
General revenues:						
Property taxes					52,083,708	-
Specific ownership taxes					4,565,978	-
State equalization					109,738,381	-
Per pupil revenue					-	9,796,902
Grants and contributions not restricted to specific programs					588,779	12,668
Unrestricted investment earnings					4,668,804	243,658
Gain on sale of capital assets					1,282,794	-
Miscellaneous					1,447,160	185,327
Total general revenues					<u>174,375,604</u>	<u>10,238,555</u>
Special item:						
BEST grant repayment					<u>-</u>	<u>(22,946,015)</u>
Change in net position					2,519,025	(21,765,086)
Net position - beginning					<u>34,739,616</u>	<u>8,226,209</u>
Net position - ending					<u>\$ 37,258,641</u>	<u>\$ (13,538,877)</u>

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

PUEBLO SCHOOL DISTRICT NO. 60
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Governmental Designated- Purpose Grants Fund	Bond Redemption Fund	Building Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 67,886,901	\$ -	\$ -	\$ -	\$ 17,600,012	\$ 12,926,861	\$ 98,413,774
Restricted cash and investments	-	-	18,838,279	15,997,700	-	-	34,835,979
Taxes receivable	2,898,028	-	1,243,513	-	262,341	-	4,403,882
Intergovernmental receivables	765	3,406,112	-	-	-	1,199,711	4,606,588
Other receivables	152,783	2,785	63,807	-	401,580	25,545	646,500
Due from other funds	3,026,206	6,422,537	-	1,049,614	13,595,212	1,122	24,094,691
Inventories and prepaid items	2,715,469	-	-	-	-	-	2,715,469
Total assets	<u>\$ 76,680,152</u>	<u>\$ 9,831,434</u>	<u>\$ 20,145,599</u>	<u>\$ 17,047,314</u>	<u>\$ 31,859,145</u>	<u>\$ 14,153,239</u>	<u>\$ 169,716,883</u>
LIABILITIES							
Accounts payable and other current liabilities	\$ 2,344,418	\$ 451,733	\$ -	\$ 1,625,780	\$ 691,900	\$ 234,080	\$ 5,347,911
Accrued salaries and benefits	8,412,381	991,035	-	-	-	-	9,403,416
Compensated absences	500,416	-	-	-	-	-	500,416
Due to other funds	26,931,560	302,911	400	-	-	25,331	27,260,202
Unearned revenue	19,312	8,085,755	-	-	-	2,995	8,108,062
Total liabilities	<u>38,208,087</u>	<u>9,831,434</u>	<u>400</u>	<u>1,625,780</u>	<u>691,900</u>	<u>262,406</u>	<u>50,620,007</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	1,767,642	-	919,334	-	-	-	2,686,976
Total deferred inflows of resources	<u>1,767,642</u>	<u>-</u>	<u>919,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,686,976</u>
FUND BALANCES							
Nonspendable for:							
Inventories and prepaid items	2,715,469	-	-	-	-	-	2,715,469
Restricted for:							
Emergency reserve (TABOR)	5,250,000	-	-	-	-	-	5,250,000
Debt service	-	-	19,225,865	-	-	-	19,225,865
Capital projects	-	-	-	15,421,534	-	-	15,421,534
Multi-year obligations	1,329,999	-	-	-	-	-	1,329,999
Preschool	3,031,833	-	-	-	-	-	3,031,833
Committed for:							
Food service operations	-	-	-	-	-	10,971,968	10,971,968
Pupil activities	-	-	-	-	-	2,686,367	2,686,367
Foundation activities	-	-	-	-	-	232,498	232,498
Assigned for:							
Risk management	2,059,628	-	-	-	-	-	2,059,628
Capital projects	-	-	-	-	31,167,245	-	31,167,245
Athletics	478,002	-	-	-	-	-	478,002
Contingencies	10,003,562	-	-	-	-	-	10,003,562
School carryover	177,540	-	-	-	-	-	177,540
Unassigned	11,658,390	-	-	-	-	-	11,658,390
Total fund balances	<u>36,704,423</u>	<u>-</u>	<u>19,225,865</u>	<u>15,421,534</u>	<u>31,167,245</u>	<u>13,890,833</u>	<u>116,409,900</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 76,680,152</u>	<u>\$ 9,831,434</u>	<u>\$ 20,145,599</u>	<u>\$ 17,047,314</u>	<u>\$ 31,859,145</u>	<u>\$ 14,153,239</u>	<u>\$ 169,716,883</u>

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

PUEBLO SCHOOL DISTRICT NO. 60
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

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

Total fund balance - governmental funds		\$ 116,409,900
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$ 64,591,989	
Capital assets, net of depreciation	<u>334,111,401</u>	398,703,390
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		2,686,976
Internal service funds are used by the District's management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		2,436,587
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Net pension liabilities	\$ (241,755,713)	
Pension outflows	55,910,635	
Pension inflows	(22,948,416)	
Net OPEB liabilities	(8,535,834)	
OPEB outflows	977,834	
OPEB inflows	(2,977,497)	
Accrued interest	(356,840)	
Compensated absences	(25,960,216)	
Leases payable	(4,622,600)	
Bonds payable	<u>(232,709,565)</u>	<u>(482,978,212)</u>
Net position of governmental activities in the statement of net position		<u><u>\$ 37,258,641</u></u>

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

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Governmental Designated- Purpose Grants Fund	Bond Redemption Fund	Building Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Local sources	\$ 42,600,701	\$ 175,952	\$ 18,120,669	\$ 1,062,761	\$ 4,602,575	\$ 2,497,543	\$ 69,060,201
State sources	123,796,069	2,257,714	59	-	1,613,611	111,878	127,779,331
Federal sources	329,262	20,547,613	-	-	-	9,993,140	30,870,015
Total revenues	166,726,032	22,981,279	18,120,728	1,062,761	6,216,186	12,602,561	227,709,547
EXPENDITURES							
Instruction	96,089,744	9,022,792	-	-	-	1,094,723	106,207,259
Supporting services	71,032,744	13,805,980	-	137,271	5,145,732	968,490	91,090,217
Food service operations	-	303	-	-	-	9,773,813	9,774,116
Community services	6,120	152,204	-	-	-	-	158,324
Facilities acquisition and construction	760,106	-	-	9,258,832	4,126,740	-	14,145,678
Debt service	1,088,093	-	17,921,811	3,397,159	-	-	22,407,063
Total expenditures	168,976,807	22,981,279	17,921,811	12,793,262	9,272,472	11,837,026	243,782,657
Excess (deficiency) of revenues over expenditures	(2,250,775)	-	198,917	(11,730,501)	(3,056,286)	765,535	(16,073,110)
OTHER FINANCING SOURCES (USES)							
Insurance recoveries	18,456	-	-	-	-	-	18,456
Total other financing sources (uses)	18,456	-	-	-	-	-	18,456
Net change in fund balances	(2,232,319)	-	198,917	(11,730,501)	(3,056,286)	765,535	(16,054,654)
Fund balances - beginning	38,936,742	-	19,026,948	27,152,035	34,223,531	13,125,298	132,464,554
Fund balances - ending	\$ 36,704,423	\$ -	\$ 19,225,865	\$ 15,421,534	\$ 31,167,245	\$ 13,890,833	\$ 116,409,900

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

PUEBLO SCHOOL DISTRICT NO. 60
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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

Net change in fund balances - total governmental funds:	\$ (16,054,654)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 16,548,313	
Depreciation/amortization	<u>(11,160,380)</u>	5,387,933

In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and, thus, is not reported in the funds.	(380,891)
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Governmental funds do not present property tax revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	1,068,380
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Internal service funds are used by the District to charge the cost of certain activities to individual funds. The net revenue of the internal service funds are reported with governmental activities.	(686,589)
--	-----------

Interest expense is reported when incurred in the statement of activities but is not reported in the funds until paid.	17,656
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal	\$ 9,848,696	
Accretion of bond premium	<u>2,221,664</u>	12,070,360

Some expenses related to post employment benefits reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	687,304
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Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.	(2,056,885)
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Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension expenses	\$ 572,726	
OPEB expenses	<u>1,893,685</u>	2,466,411

Change in net position of governmental activities	<u><u>\$ 2,519,025</u></u>
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The accompanying notes are an integral part of these financial statements.

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 5,329
Cash with fiscal agents	82,327
Due from other funds	<u>3,165,511</u>
 Total assets	 <u>\$ 3,253,167</u>
LIABILITIES	
Current liabilities	
Accounts Payable	\$ 4,297
Claims and judgments	<u>812,283</u>
 Total liabilities	 <u>816,580</u>
NET POSITION	
Unrestricted	<u><u>\$ 2,436,587</u></u>

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

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Charges for services	\$ 1,305,853
OPERATING EXPENSES	
Insurance claims and expenses	1,992,690
Operating income (loss)	(686,837)
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	248
Change in net position	(686,589)
Net position - beginning	3,123,176
Net position - ending	<u>\$ 2,436,587</u>

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

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 1,315,877
Cash payments to suppliers	<u>(1,504,639)</u>
Net cash provided (used) by operating activities	<u>(188,762)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Advances from (to) other funds	<u>221,089</u>
Net cash provided (used) by non-capital financing activities	<u>221,089</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>248</u>
Net increase (decrease) in cash and cash equivalents	32,575
Cash and cash equivalents - beginning	<u>55,081</u>
Cash and cash equivalents - ending	<u><u>\$ 87,656</u></u>

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

PUEBLO SCHOOL DISTRICT NO. 60
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities Internal Service Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (686,837)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	10,024
Increase (decrease) in:	
Accounts payable	(874)
Claims payable	<u>488,925</u>
Total adjustments	<u>498,075</u>
Net cash provided (used) by operating activities	<u><u>\$ (188,762)</u></u>

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

PUEBLO SCHOOL DISTRICT NO. 60
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025

	PSAS	CHAVEZ/ HUERTA	TOTAL
ASSETS			
Cash and investments	\$ 2,867,866	\$ 3,080,405	\$ 5,948,271
Restricted cash and investments	-	3,484,764	3,484,764
Grants receivable	-	212,552	212,552
Intergovernmental receivables	-	25,314	25,314
Other receivables	289,725	-	289,725
Due from District	72,840	36,179	109,019
Capital assets, not being depreciated	85,150	1,290,972	1,376,122
Capital assets, net of accumulated depreciation	6,080,946	63,133,926	69,214,872
Total assets	9,396,527	71,264,112	80,660,639
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	1,395,067	2,178,509	3,573,576
Deferred OPEB outflows	44,998	120,934	165,932
Total deferred outflows of resources	1,440,065	2,299,443	3,739,508
LIABILITIES			
Accounts payable and accrued liabilities	619,352	86,568	705,920
Due to District	17,687	5,976	23,663
Due to State for BEST grant repayment	-	22,948,953	22,948,953
Accrued interest	10,998	977,003	988,001
Unearned revenue	11,532	71,067	82,599
Long-term liabilities			
Due within one year	248,719	725,000	973,719
Due in more than one year	1,467,544	43,640,000	45,107,544
Net pension liability	9,906,643	11,534,497	21,441,140
Net OPEB liability	192,435	204,655	397,090
Total liabilities	12,474,910	80,193,719	92,668,629
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	1,584,063	3,289,255	4,873,318
Deferred OPEB inflows	121,326	275,751	397,077
Total deferred outflows of resources	1,705,389	3,565,006	5,270,395
NET POSITION			
Net investment in capital assets	4,438,835	20,059,898	24,498,733
Restricted for:			
Emergency reserve (TABOR)	314,000	431,000	745,000
Debt service	-	3,165,724	3,165,724
Unrestricted	(8,096,542)	(33,851,792)	(41,948,334)
Total net position	\$ (3,343,707)	\$ (10,195,170)	\$ (13,538,877)

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

PUEBLO SCHOOL DISTRICT NO. 60
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>PSAS</u>	<u>CHAVEZ/ HUERTA</u>	<u>TOTAL</u>
REVENUES			
Per pupil revenue	\$ -	\$ 9,796,902	\$ 9,796,902
Charges for services	80,491	3,097	83,588
Operating grants and contributions	10,750,997	1,777,550	12,528,547
Capital grants and contributions	-	770,533	770,533
Unrestricted grants and contributions	-	12,668	12,668
Unrestricted investment earnings	2,016	241,642	243,658
Miscellaneous	52,405	132,922	185,327
	<u>10,885,909</u>	<u>12,735,314</u>	<u>23,621,223</u>
EXPENSES			
Instruction	5,135,360	4,049,791	9,185,151
Supporting services	4,346,840	6,950,766	11,297,606
Interest	-	1,957,537	1,957,537
	<u>9,482,200</u>	<u>12,958,094</u>	<u>22,440,294</u>
SPECIAL ITEM			
BEST grant repayment	<u>-</u>	<u>(22,946,015)</u>	<u>(22,946,015)</u>
Change in net position	1,403,709	(23,168,795)	(21,765,086)
Net position - beginning (deficit)	<u>(4,747,416)</u>	<u>12,973,625</u>	<u>8,226,209</u>
Net position - ending (deficit)	<u><u>\$ (3,343,707)</u></u>	<u><u>\$ (10,195,170)</u></u>	<u><u>\$ (13,538,877)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pueblo School District No. 60 (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District was established in 1946 with the consolidation of Pueblo School District 1 and Pueblo School District 20 and is organized under the Constitution of the State of Colorado. The legislative power of the District is vested in the Board of Education, consisting of five members who are elected for staggered four-year terms. The Board of Education maintains oversight for the District's thirty instructional facilities and support departments to provide services to meet the needs of approximately 16,000 students and other community members.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the District.

Blended Component Unit. School District No. 60 Education Foundation, Inc. is an Internal Revenue Code 501(c)(3) nonprofit entity organized to further educational programs for District students. Although it is legally separate from the District, the Education Foundation is reported as if it were part of the primary government because of financial accountability. Separate financial statements are not available.

Discretely Presented Component Units. The Board of Education approved two charter schools for operation: Pueblo School for Arts and Sciences (PSAS) and Chavez Huerta K-12 Preparatory Academy (Chavez Huerta). The charter schools were formed in accordance with state statute as District charter schools. The charter schools are deemed to be fiscally dependent on the District since the District provides the majority of support to each charter school in the form of per pupil revenue. In addition, the nature and significance of the charter schools' relationship with the District is such that exclusion would cause the District's financial statements to be incomplete.

Separately issued financial statements for the charter schools may be obtained by writing to the following:

Pueblo School for Arts and Sciences
2415 Jones Avenue
Pueblo, Colorado 81004

Chavez Huerta K-12 Preparatory Academy
2727 W. 18th Street
Pueblo, Colorado 81003

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. 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 for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

The *Designated Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Bond Redemption Fund* accounts for the accumulation of resources for and the payment of principal, interest and related expenses on long-term general obligation debt.

The *Building Fund* is used to account for all resources available for acquiring capital sites, buildings, and equipment.

The *Capital Project Funds* is used to account for the proceeds, construction, and acquisition of capital assets.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The *Food Service Fund* accounts for transactions related to food service operations. It also accounts for USDA school breakfast/lunch money.

The *Pupil Activity Fund* accounts for financial transactions related to school sponsored pupil intra-scholastic and interscholastic athletic and other related activities.

The *School District No. 60 Education Foundation, Inc. Fund* is used to present the activities of the blended component unit.

Internal Service Funds account for operations that provide services to other departments or agencies of the government on a cost-reimbursement basis.

The *Risk Management Fund* accounts for management activities of the District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service fund are charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of sales, services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

The 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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues 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. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

*D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/
FUND BALANCE*

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and prepaid items

Inventories are recorded as expenditures/expenses when consumed rather than when purchased. General warehouse inventory is valued at cost using the first-in/first-out (FIFO) method. Food Service inventory is stated at cost using the weighted average method except for commodities. USDA donated food commodities are valued at estimated acquisition value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than \$50,000 are reported as capital assets.

As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and construction in progress are not depreciated. The other tangible and intangible assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Land improvements	15-100 years
Buildings and improvements	15-100 years
Equipment	5-15 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

Unearned Revenue

Unearned revenue includes resources received by the District before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

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

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

Leases

Lessee: The District is a lessee for noncancellable leases of educational facilities and equipment. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

Pueblo School District No. 60 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPEB

Pueblo School District No. 60 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.

Net position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

E. REVENUES AND EXPENDITURES/EXPENSES

Property Taxes

Property taxes for the current year are certified in arrears to the County by December 15, and attach as an enforceable lien on property the following January 1. Property taxes are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The County Treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2025 is 27.233 mills for general operating expenses and 14.169 mills for the payment of long-term debt. The District's assessed valuation for the collection year 2025 is \$1,374,535,187. Taxes are assessed on \$1,250,614,749 which is the assessed valuation net of tax increment financing.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month and are considered unrestricted intergovernmental revenues. Specific ownership taxes are recorded as revenue when collected by the county.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The School recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

Vacation leave that meets these criteria is accrued when earned in the government-wide financial statements. Sick leave is accrued only to the extent that it is reasonably expected to be paid upon separation or used in future periods. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

In the governmental fund financial statements, compensated absences are recognized as expenditures only when due.

Proprietary funds operating and nonoperating revenues and expenses

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

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Superintendent submits a proposed budget to the Board of Education for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Education to obtain public comments.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the District budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year. All appropriations lapse at the end of each fiscal year.

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the Risk Management Fund by \$176,690. These over-expenditures were funded by beginning fund balances.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2025 is as follows:

Deposits	\$ 6,250,300
Investments	<u>127,087,109</u>
Total	<u>\$133,337,409</u>

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

Cash and investments	\$ 98,419,103
Restricted cash and investments	<u>34,918,306</u>
Total	<u>\$ 133,337,409</u>

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The carrying amount of the District's deposits at June 30, 2025 was \$6,250,300 and the bank balances were \$6,172,875. All of the bank balances were covered by federal deposit insurance.

Investments

The District is authorized by Colorado statutes to invest in the following:

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

At June 30, 2025 the District's investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor's Rating</u>
ColoTrust	\$ 87,005,181	Net asset value	Less than 90 days	AAAm
Money Market	24,084,228	Amortized cost	Less than 90 days	AAA
CSIP	<u>15,997,700</u>	Net asset value	Less than 90 days	AAAm
	<u>\$ 127,087,109</u>			

Local Government Investment Pools. The Colorado Local Government Liquid Asset Trust (ColoTrust) and Colorado Statewide Investment Program (CSIP) are investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District’s investments are in ColoTrust. These investments are 68.46% of the District’s total investments.

In accordance with state law, the District has designated Wells Fargo as the third party custodian for the bond redemption fund. Funds held at June 30, 2025 total \$18,838,279 and are included with the ColoTrust investments above.

Fair value of investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances as of June 30, 2025, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,026,206	\$ 26,931,560
Governmental Designated Purpose Grants Fund	6,422,537	302,911
Bond Redemption Fund	-	400
Building Fund	1,049,614	-
Capital Projects Fund	13,595,212	-
Nonmajor Funds	1,122	25,331
Risk Management Fund	<u>3,165,511</u>	<u>-</u>
Total	<u>\$ 27,260,202</u>	<u>\$ 27,260,202</u>

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$ 1,801,455	\$ -	\$ (3,000)	\$ 1,798,455
Construction in progress	58,046,303	9,714,275	(4,967,044)	62,793,534
Total capital assets not being depreciated	59,847,758	9,714,275	(4,970,044)	64,591,989
Capital assets being depreciated:				
Land improvements	25,229,085	2,350,945	(644,655)	26,935,375
Building and improvements	357,319,277	7,178,980	(50,853)	364,447,404
Equipment	23,442,636	2,274,157	(245,532)	25,471,261
Total capital assets being depreciated	405,990,998	11,804,082	(941,040)	416,854,040
Less accumulated depreciation for:				
Land improvements	(13,694,844)	(831,142)	276,182	(14,249,804)
Building and improvements	(49,289,511)	(8,339,995)	47,905	(57,581,601)
Equipment	(16,618,392)	(1,293,445)	236,062	(17,675,775)
Total accumulated depreciation	(79,602,747)	(10,464,582)	560,149	(89,507,180)
Total capital assets being depreciated, net	326,388,251	1,339,500	(380,891)	327,346,860
Lease assets being amortized:				
Buildings and improvements	8,676,885	-	-	8,676,885
Equipment	2,214,800	-	-	2,214,800
Total lease assets being amortized:	10,891,685	-	-	10,891,685
Less accumulated amortization for:				
Buildings and improvements	(2,435,575)	(347,939)	-	(2,783,514)
Equipment	(995,771)	(347,859)	-	(1,343,630)
Total accumulated amortization	(3,431,346)	(695,798)	-	(4,127,144)
Total lease assets, net	7,460,339	(695,798)	-	6,764,541
Capital assets, net of accumulated depreciation/amortization	333,848,590	643,702	(380,891)	334,111,401
Total governmental activities capital assets	\$ 393,696,348	\$ 10,357,977	\$ (5,350,935)	\$ 398,703,390

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Instruction	\$ 1,287,555
Supporting services	<u>9,872,825</u>
Total depreciation/amortization expense	<u>\$ 11,160,380</u>

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into lease agreements involving educational facilities and equipment with lease terms ranging from one to eight years. The total costs of these right-to-use lease assets are recorded as \$10,891,685, less accumulated amortization of \$4,127,144. The District has determined that as of June 30, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2025 are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 967,437	\$ 135,546	\$ 1,102,983
2027	901,507	102,315	1,003,822
2028	961,543	73,507	1,035,050
2029	976,698	42,886	1,019,584
2030	<u>815,415</u>	<u>10,830</u>	<u>826,245</u>
Total	<u>\$ 4,622,600</u>	<u>\$ 365,084</u>	<u>\$ 4,987,684</u>

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General Obligation bonds outstanding at June 30, 2025 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
G.O. Bonds 2020	\$ 207,610,000	3.00% - 5.00%	2039	\$ 189,205,000
G.O. Bonds 2021	10,640,000	2.35%	2040	<u>8,883,641</u>
Total				<u><u>\$ 198,088,641</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 9,363,758	\$ 8,545,053
2027	9,819,661	8,077,897
2028	10,295,820	7,587,731
2029	10,797,242	7,073,425
2030	11,323,932	6,533,722
2031– 2035	65,489,860	23,590,119
2036 – 2040	80,341,205	8,817,337
2041	<u>657,163</u>	<u>7,724</u>
Total	<u><u>\$ 198,088,641</u></u>	<u><u>\$ 70,233,008</u></u>

Legal Debt Margin

Assessed valuation	<u>\$13,275,319,783</u>
Debt limit – 6% of assessed valuation	796,519,187
General obligation debt	<u>(198,088,641)</u>
	<u><u>\$ 598,430,546</u></u>

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One
<i>Governmental Activities</i>					
General obligation bonds	\$ 207,016,747	\$ -	\$ (8,928,106)	\$ 198,088,641	\$ 9,363,758
Premiums	36,842,588	-	(2,221,664)	34,620,924	-
Total loan payable	243,859,335	-	(11,149,770)	232,709,565	9,363,758
Leases	5,543,190	-	(920,590)	4,622,600	967,437
Compensated absences	24,469,729	1,990,903	-	26,460,632	500,416
Net pension liability	278,850,689	3,069,978	(40,164,954)	241,755,713	-
Net OPEB liability	6,733,123	473,396	(2,917,088)	4,289,431	-
Post-employment OPEB	4,933,707	-	(687,304)	4,246,403	-
<i>Total Governmental Activities</i>	<u>\$ 564,389,773</u>	<u>\$ 5,534,277</u>	<u>\$ (55,839,706)</u>	<u>\$ 514,084,344</u>	<u>\$ 10,831,611</u>

The change in the compensated absences liability is presented as a net change.

General obligation bonds are liquidated in the debt service fund. Leases are liquidated in the general fund. Approximately 90% of compensated absences, net pension liabilities, and net OPEB liabilities are normally liquidated in the general fund, with remaining amounts liquidated in other governmental funds.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Pueblo School District No. 60 are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times the 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2025: Eligible employees of, Pueblo School District No. 60 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:

	July 1, 2024 Through June 30, 2025
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	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).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Pueblo School District No. 60 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Pueblo School District No. 60 were \$22,853,040 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 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 Pueblo School District No. 60 proportion of the net pension liability was based on Pueblo School District No. 60 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2025, the Pueblo School District No. 60 reported a liability of \$241,755,713 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Pueblo School District No. 60 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 Pueblo School District No. 60 were as follows:

Pueblo School District No. 60 proportionate share of the net pension liability	\$ 241,755,713
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Pueblo School District No. 60	21,713,501
Total	\$ 263,469,214

At December 31, 2024, the Pueblo School District No. 60 proportion was 1.4010844883%, which was a decrease of 0.1758200794% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Pueblo School District No. 60 recognized pension expense of \$22,280,314 and revenue of \$2,289,862 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Pueblo School District No. 60 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 13,690,263	\$ -
Changes of assumptions or other inputs	1,812,471	-
Net difference between projected and actual earnings on pension plan investments	4,561,259	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	24,339,434	22,948,416
Contributions subsequent to the measurement date	11,507,208	N/A
Total	<u>\$ 55,910,635</u>	<u>\$ 22,948,416</u>

\$11,507,208 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 19,740,370
2027	15,097,384
2028	(10,129,664)
2029	(3,253,079)
2030	-
Thereafter	-

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

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

¹ 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.

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

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

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

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary increases, including wage inflation: 4.00%-13.40%

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 Pueblo School District No. 60 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 1-percentage point lower (6.25%) or 1-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	\$ 327,764,717	\$ 241,755,713	\$ 169,711,150

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.

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- There were no changes made to the plan provisions.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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 Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Subsequent Events

- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Pueblo School District No. 60 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/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.

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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Pueblo School District No. 60 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Pueblo School District No. 60 were \$1,143,773 for the year ended June 30, 2025.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – 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 Pueblo School District No. 60 reported a liability of \$4,289,431 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 Pueblo School District No. 60 proportion of the net OPEB liability was based on Pueblo School District No. 60 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 Pueblo School District No. 60 proportion was 0.8970570237%, which was a decrease of 0.0463194067% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Pueblo School District No. 60 recognized OPEB expense of \$749,911. At June 30, 2025, the Pueblo School District No. 60 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	\$ -	\$ 946,162
Changes of assumptions or other inputs	49,186	1,371,116
Net difference between projected and actual earnings on OPEB plan investments	14,541	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	338,172	660,219
Contributions subsequent to the measurement date	575,935	N/A
Total	<u>\$ 977,834</u>	<u>\$ 2,977,497</u>

\$575,935 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (822,455)
2027	(447,556)
2028	(565,940)
2029	(326,913)
2030	(252,685)
Thereafter	(160,049)

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Actuarial assumptions. The December 31, 2023 actuarial valuation used the following actuarial cost method and key 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 OPEB	
plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect 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 UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Age-Related Morbidity Assumptions

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

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

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
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 as follows.

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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. 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. enrollees not eligible for premium-free Medicare Part A.

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

Year	PERACare Medicare Plans¹	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹ 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, 2023, 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

The 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 were 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 PERA's 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.

Salary increases, including wage inflation 4.00%-13.40%

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

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
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
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
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

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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(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 expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Sensitivity of the Pueblo School District No. 60 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 4,173,863	\$ 4,289,431	\$ 4,420,222

¹For the January 1, 2025, plan year.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – 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 additional payments related to the disaffiliation of 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.

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 did 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.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Sensitivity of the Pueblo School District No. 60 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 5,256,763	\$ 4,289,431	\$ 3,455,473

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.

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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 adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The District's defined benefit OPEB plan, Pueblo City Schools Retiree Benefits Plan (PCSRBP), provides life insurance benefits to a closed group of retired employees. PCSRBP is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. This OPEB plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or a report of another entity.

Benefits Provided

PCSRBP provides a term life insurance policy whose face value is equal to the employee's salary at termination and is provided to all full-time salaries personnel (except educational assistants) employed prior to July 1, 1980 and who retired before September 1, 1995.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Retired participants: 166

The plan is closed to new entrants.

Total OPEB Liability

The District's total OPEB liability of \$4,246,403 was measured as of June 30, 2025, and was determined by an actuarial valuation date of July 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age
Amortization	Immediate recognition of actuarial gains and losses
Mortality	PR 2014 Mortality Table projected to 2024 with Scale BB
Discount Rate	4.81% - based on the S&P Municipal Bond 20 Year High Grade Rate Index
Inflation	3.81%
Expenses	None

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/24	\$ 4,933,707
Changes for the year:	
Service cost	-
Interest cost	207,709
Benefit payments	(752,132)
Differences between expected and actual experience	90,681
Changes in benefit terms	-
Changes in assumptions	<u>(233,562)</u>
Net changes	<u>(687,304)</u>
Balance at 6/30/25	<u>\$ 4,246,403</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81 percent) or 1-percentage-point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB liability	\$ 4,581,444	\$ 4,246,403	\$ 3,949,155

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in the Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in the Healthcare Cost Trend Rates
Total OPEB liability	\$ 4,246,403	\$ 4,246,403	\$ 4,246,403

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

For the year ended June 30, 2025, the District recognized an OPEB expense of \$64,828. At June 30, 2025, the District 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	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Total	\$ -	\$ -

For the year ended June 30, 2025 there are no amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB that will be recognized in OPEB expense.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, workers' compensation, general liability, unemployment, and employee benefit expenses related to health programs. For torts, property and casualty, and errors and omissions, these risks are covered through the District's participation in the Colorado School District Self-Insurance Pool. The Colorado School District Self-Insurance Pool is a public entity risk pool which provides various types of property and liability insurance coverage to its approximate 175 members. The membership agreement provides that the pool be self-sustaining through member contributions and will reinsure with commercial companies for claims in excess of \$1,000,000 per occurrence. In addition, settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

The District has elected to self-insure for workers' compensation with specific risk retention of \$425,000 per accident with a statutory maximum liability limit. The District has a \$1,000,000 employers' liability maximum limit of indemnity per occurrence. Aggregate loss funds for the period July 1, 1992 through June 30, 2006 will remain open until all claims in each fiscal year are closed. The District chose not to purchase aggregate coverage effective July 1, 2006. Claims and insurance costs are recognized as expenses in the risk management internal service fund. A reserve for workers' compensation claims is presented in the risk management internal service fund which represents the discounted present value of expected losses and includes claims incurred but not yet reported.

Changes in the claims liability for the year ended June 30, 2025 are as follows:

Net Claims payable as of 6/30/2024	\$ 323,358
Claims presented	2,325,462
Claims paid	<u>(1,836,537)</u>
Net Claims payable as of 6/30/2025	<u>\$ 812,283</u>

The estimated claims liability is an actuarially determined loss reserve and represents the discounted present value of expected losses using a discount rate of 5% and includes claims incurred but not yet reported.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The District is a participant with other school districts in a joint venture known as South Central 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 provide approximately 60% of the Cooperative's total annual financial resources and each member district appoints a member of its board of education to serve on the governing body of the Cooperative. For the year ended June 30, 2025, the District purchased no services from the Cooperative. Complete financial statements for the Cooperative can be obtained from their administrative office at 323 S. Purcell Boulevard; Pueblo West, CO, 81007.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Grants

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. However, in the opinion of the District, any such adjustments will not have a material adverse effect on the financial position of the District.

Legal

The District is involved in pending or threatened lawsuits and claims. The District estimates that potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

NOTE 14 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments, including school districts.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2025 there is a \$5,250,000 reservation of fund balance in the General Fund for the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 7, 2000, voters within the District passed an amendment allowing the District to retain excess revenues in 2000 and all future years.

The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 15 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

The School Finance Act requires inclusion of the Colorado School District/BOCES, Electronic Financial Data Integrity Check Figures as a supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

NOTE 16 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

The School implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. This statement establishes specific criteria for identifying activities that should be reported as compensated absences. The effect of implementing this new standard is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
June 30, 2024, as previously reported	\$	52,985,175
<i>Adoption of new accounting standard</i>		
<i>GASB 101 implementation</i>		(18,245,559)
June 30, 2024, as restated	\$	34,739,616

NOTE 17 – SUBSEQUENT EVENTS

On August 13, 2025, the District completed the sale of the Carlile Property for \$925,000.

REQUIRED SUPPLEMENTARY INFORMATION

PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	1.4010844883%	1.5769045677%	1.1778734094%	1.4065360908%	1.6043277254%	1.4929482106%	1.5859063798%	1.8692159744%	1.9206432718%	1.8187015096%
District's proportionate share of the net pension liability (asset)	\$ 241,755,713	\$ 278,850,689	\$ 214,484,446	\$ 163,683,753	\$ 242,541,993	\$ 223,043,223	\$ 280,817,299	\$ 604,438,014	\$ 571,849,773	\$ 278,157,556
State's proportionate share of the net pension liability (asset) associated with the District	21,713,501	6,114,368	62,502,923	18,764,252	-	28,290,196	38,397,866	-	-	-
Total	<u>\$ 263,469,214</u>	<u>\$ 284,965,057</u>	<u>\$ 276,987,369</u>	<u>\$ 182,448,005</u>	<u>\$ 242,541,993</u>	<u>\$ 251,333,419</u>	<u>\$ 319,215,165</u>	<u>\$ 604,438,014</u>	<u>\$ 571,849,773</u>	<u>\$ 278,157,556</u>
District's covered payroll	\$ 108,268,287	\$ 104,247,630	\$ 90,859,334	\$ 87,904,072	\$ 85,812,934	\$ 87,735,054	\$ 87,185,791	\$ 86,224,724	\$ 86,201,909	\$ 79,258,595
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223.29%	267.49%	236.06%	186.21%	282.64%	254.22%	322.09%	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%

* The amounts presented for each year were determined as of 12/31.

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 22,853,040	\$ 22,297,585	\$ 18,967,721	\$ 17,739,977	\$ 17,167,656	\$ 16,817,470	\$ 16,800,644	\$ 16,411,944	\$ 15,706,892	\$ 14,809,067
Contributions in relation to the contractually required contribution	<u>(22,853,040)</u>	<u>(22,297,585)</u>	<u>(18,967,721)</u>	<u>(17,739,977)</u>	<u>(17,167,656)</u>	<u>(16,817,470)</u>	<u>(16,800,644)</u>	<u>(16,411,944)</u>	<u>(15,706,892)</u>	<u>(14,809,067)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 112,134,641	\$ 109,409,152	\$ 93,070,268	\$ 89,235,298	\$ 86,356,419	\$ 86,777,449	\$ 87,823,545	\$ 86,927,669	\$ 85,456,431	\$ 83,525,479
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%

* The amounts presented for each fiscal year were determined as of 6/30.

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.8970570237%	0.9433764304%	0.8953195861%	0.9183638492%	0.9279621416%	0.9758103002%	1.0308512728%	1.0620805913%	1.0919635522%
District's proportionate share of the net OPEB liability (asset)	\$ 4,289,431	\$ 6,733,123	\$ 7,310,096	\$ 7,919,097	\$ 8,817,728	\$ 10,968,088	\$ 14,025,165	\$ 13,802,799	\$ 14,157,679
District's covered payroll	\$ 108,268,287	\$ 104,247,630	\$ 90,859,334	\$ 87,904,291	\$ 85,812,934	\$ 87,735,054	\$ 87,185,791	\$ 86,224,724	\$ 86,201,909
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,143,773	\$ 1,115,980	\$ 949,331	\$ 910,166	\$ 880,838	\$ 885,115	\$ 895,809	\$ 886,595	\$ 871,498
Contributions in relation to the contractually required contribution	<u>(1,143,773)</u>	<u>(1,115,980)</u>	<u>(949,331)</u>	<u>(910,166)</u>	<u>(880,838)</u>	<u>(885,115)</u>	<u>(895,809)</u>	<u>(886,595)</u>	<u>(871,498)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 112,134,641	\$ 109,409,152	\$ 93,070,268	\$ 89,235,298	\$ 86,356,419	\$ 86,777,449	\$ 87,823,545	\$ 86,927,669	\$ 85,456,431
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
PUEBLO CITY SCHOOLS RETIREMENT LIFE INSURANCE PLAN
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	207,709	228,130	248,361	160,292	180,153	338,756	374,878	375,699
Benefit payments	(752,132)	(752,270)	(845,785)	(955,240)	(968,864)	(773,688)	(563,200)	(608,117)
Differences between expected and actual experience	90,681	(31,675)	67,905	481,932	226,420	(1,847,869)	(151,454)	(285,200)
Changes in benefit terms	-	-	-	-	-	-	-	-
Changes in assumptions	(233,562)	(34,195)	(19,164)	(1,247,529)	6,461	792,835	281,436	(181,379)
Net change in total OPEB liability	(687,304)	(590,010)	(548,683)	(1,560,545)	(555,830)	(1,489,966)	(58,340)	(698,997)
Total OPEB liability - beginning	<u>4,933,707</u>	<u>5,523,717</u>	<u>6,072,400</u>	<u>7,632,945</u>	<u>8,188,775</u>	<u>9,678,741</u>	<u>9,737,081</u>	<u>10,436,078</u>
Total OPEB liability - ending	<u>\$ 4,246,403</u>	<u>\$ 4,933,707</u>	<u>\$ 5,523,717</u>	<u>\$ 6,072,400</u>	<u>\$ 7,632,945</u>	<u>\$ 8,188,775</u>	<u>\$ 9,678,741</u>	<u>\$ 9,737,081</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%
Notes to Schedule:								
Changes of assumptions - effects of discount rate each period	4.81%	4.21%	4.13%	4.09%	2.10%	3.50%	3.50%	3.60%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation are the Athletics, Risk-Management, and Preschool Sub-Funds of the General Fund. These funds allow the District to separate the accounting and maintain a self-balancing set of records specific to these activities.

The General Fund is deemed to be a major fund for financial reporting purposes.

PUEBLO SCHOOL DISTRICT NO. 60
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Local sources:				
Property taxes	\$ 40,203,697	\$ 34,023,979	\$ 33,615,493	\$ (408,486)
Specific ownership taxes	3,226,427	3,110,099	3,029,870	(80,229)
Other local sources	5,683,401	6,149,435	5,955,338	(194,097)
Total local sources	49,113,525	43,283,513	42,600,701	(682,812)
State sources:				
State equalization	102,261,977	109,135,613	109,738,381	602,768
Special education	3,871,148	3,871,148	7,739,301	3,868,153
Other state funding	12,384,783	11,860,474	6,318,387	(5,542,087)
Total state sources	118,517,908	124,867,235	123,796,069	(1,071,166)
Federal sources	315,000	315,000	329,262	14,262
Total revenues	167,946,433	168,465,748	166,726,032	(1,739,716)
EXPENDITURES				
Instruction	97,192,537	103,154,080	96,089,744	7,064,336
Supporting services:				
Student services	13,534,703	13,641,107	13,188,461	452,646
Instructional staff	6,674,767	7,212,245	6,502,854	709,391
General administration	2,599,633	2,883,699	1,960,360	923,339
School administration	13,399,418	13,606,599	13,206,506	400,093
Business services	3,149,231	3,125,170	2,394,862	730,308
Operation and maintenance	25,063,354	26,504,647	22,251,918	4,252,729
Student transportation	4,227,126	4,115,526	2,802,516	1,313,010
Central services	6,736,118	7,059,176	6,507,442	551,734
Other support services	2,276,066	2,617,481	2,217,825	399,656
Community services	-	-	6,120	(6,120)
Facilities acquisition and construction	597,510	541,576	760,106	(218,530)
Debt service	848,668	876,151	1,088,093	(211,942)
Contingency reserves	18,330,167	19,909,054	-	19,909,054
Total expenditures	194,629,298	205,246,511	168,976,807	36,269,704
Excess (deficiency) of revenues over expenditures	(26,682,865)	(36,780,763)	(2,250,775)	34,529,988
OTHER FINANCING SOURCES (USES)				
Transfers out	(9,800,000)	-	-	-
Insurance recoveries	-	-	18,456	18,456
Total other financing sources (uses)	(9,800,000)	-	18,456	18,456
Net change in fund balance	(36,482,865)	(36,780,763)	(2,232,319)	34,548,444
Fund balance - beginning	36,482,865	38,661,023	38,936,742	275,719
Fund balance - ending	\$ -	\$ 1,880,260	\$ 36,704,423	\$ 34,824,163

See the accompanying independent auditors' report.

GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND

This fund is authorized by Colorado state law to record financial transactions for grants received for designated programs funded by federal, state or local resources.

The Governmental Designated-Purpose Grants Fund is deemed to be a major fund for financial reporting purposes.

PUEBLO SCHOOL DISTRICT NO. 60
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Local sources:				
Other local sources	<u>\$ 1,102,933</u>	<u>\$ 1,128,752</u>	<u>\$ 175,952</u>	<u>\$ (952,800)</u>
State sources:				
Other state funding	<u>7,506,532</u>	<u>7,682,259</u>	<u>2,257,714</u>	<u>(5,424,545)</u>
Federal sources	<u>34,042,251</u>	<u>34,839,175</u>	<u>20,547,613</u>	<u>(14,291,562)</u>
Total revenues	<u>42,651,716</u>	<u>43,650,186</u>	<u>22,981,279</u>	<u>(20,668,907)</u>
EXPENDITURES				
Instruction	20,250,501	20,724,562	9,022,792	11,701,770
Supporting services:				
Student services	11,734,756	12,009,465	4,711,145	7,298,320
Instructional staff	8,911,242	9,119,853	7,451,580	1,668,273
General administration	317,162	324,587	304,755	19,832
School administration	147,365	150,815	85,770	65,045
Business services	-	-	111,985	(111,985)
Operation and maintenance	-	-	138,583	(138,583)
Student transportation	171,646	175,664	193,946	(18,282)
Central services	107,887	110,413	-	110,413
Other support services	826,282	845,625	808,216	37,409
Food service operations	-	-	303	(303)
Community services	184,874	189,202	152,204	36,998
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>42,651,716</u>	<u>43,650,186</u>	<u>22,981,279</u>	<u>20,668,907</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOND REDEMPTION FUND

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease-purchase debt.

The Bond Redemption Fund is deemed to be a major fund for financial reporting purposes.

PUEBLO SCHOOL DISTRICT NO. 60
BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Property taxes	\$ 17,719,960	\$ 17,399,835	\$ (320,125)
Other local sources	817,000	720,834	(96,166)
Total local sources	<u>18,536,960</u>	<u>18,120,669</u>	<u>(416,291)</u>
State sources:			
Other state funding	<u>-</u>	<u>59</u>	<u>59</u>
Total revenues	<u>18,536,960</u>	<u>18,120,728</u>	<u>(416,232)</u>
EXPENDITURES			
Debt service	<u>18,427,311</u>	<u>17,921,811</u>	<u>505,500</u>
Total expenditures	<u>18,427,311</u>	<u>17,921,811</u>	<u>505,500</u>
Net change in fund balance	109,649	198,917	89,268
Fund balance - beginning	<u>18,635,575</u>	<u>19,026,948</u>	<u>391,373</u>
Fund balance - ending	<u><u>\$ 18,745,224</u></u>	<u><u>\$ 19,225,865</u></u>	<u><u>\$ 480,641</u></u>

See the accompanying independent auditors' report.

BUILDING FUND

This fund is used to account for all resources available for acquiring capital sites, buildings, and equipment.

The Building Fund is deemed to be a major fund for financial reporting purposes.

PUEBLO SCHOOL DISTRICT NO. 60
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 1,153,045	\$ 1,062,761	\$ (90,284)
Total revenues	<u>1,153,045</u>	<u>1,062,761</u>	<u>(90,284)</u>
EXPENDITURES			
Supporting services:			
Business services	-	625	(625)
Central services	-	136,646	(136,646)
Facilities acquisition and construction	17,872,319	9,258,832	8,613,487
Debt service	3,397,159	3,397,159	-
Contingency reserves	<u>7,035,602</u>	<u>-</u>	<u>7,035,602</u>
Total expenditures	<u>28,305,080</u>	<u>12,793,262</u>	<u>15,511,818</u>
Net change in fund balance	(27,152,035)	(11,730,501)	15,421,534
Fund balance - beginning	<u>27,152,035</u>	<u>27,152,035</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 15,421,534</u>	<u>\$ 15,421,534</u>

See the accompanying independent auditors' report.

CAPITAL PROJECTS FUND

This fund is used to account for significant capital expenditures of the District, including the acquisition of sites, buildings, equipment, and vehicles.

For financial reporting purposes, the Capital Projects Fund was determined to be a major fund of the District for the current fiscal year.

PUEBLO SCHOOL DISTRICT NO. 60
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Specific ownership taxes	\$ 1,900,000	\$ 1,536,107	\$ (363,893)
Other local sources	765,000	3,066,468	2,301,468
	<u>2,665,000</u>	<u>4,602,575</u>	<u>1,937,575</u>
State sources:			
Other state funding	11,764,968	1,613,611	(10,151,357)
Total revenues	<u>14,429,968</u>	<u>6,216,186</u>	<u>(8,213,782)</u>
EXPENDITURES			
Supporting services:			
Business services	-	288,360	(288,360)
Operation and maintenance	481,608	2,750,990	(2,269,382)
Central services	3,532,604	2,106,382	1,426,222
Facilities acquisition and construction	21,856,316	4,126,740	17,729,576
Contingency reserves	22,782,971	-	22,782,971
Total expenditures	<u>48,653,499</u>	<u>9,272,472</u>	<u>39,381,027</u>
Net change in fund balance	(34,223,531)	(3,056,286)	31,167,245
Fund balance - beginning	34,223,531	34,223,531	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 31,167,245</u>	<u>\$ 31,167,245</u>

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

In addition to the funds identified as major governmental funds for financial reporting, the District reports the following non-major funds:

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Pupil Activity Fund

This fund is used to record financial transactions related to school sponsored organizations and activities.

Education Foundation

This fund is used to operate exclusively for educational and charitable purposes exclusively for the benefit of the School District.

PUEBLO SCHOOL DISTRICT NO. 60
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Food Service Fund	Pupil Activity Fund	Education Foundation, Inc.	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 9,972,150	\$ 2,722,064	\$ 232,647	\$ 12,926,861
Intergovernmental receivables	1,199,711	-	-	1,199,711
Other receivables	-	25,400	145	25,545
Due from other funds	1,122	-	-	1,122
	<u>1,122</u>	<u>-</u>	<u>-</u>	<u>1,122</u>
Total assets	<u>\$ 11,172,983</u>	<u>\$ 2,747,464</u>	<u>\$ 232,792</u>	<u>\$ 14,153,239</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 198,020	\$ 36,060	\$ -	\$ 234,080
Due to other funds	-	25,037	294	25,331
Unearned revenue	2,995	-	-	2,995
	<u>2,995</u>	<u>-</u>	<u>-</u>	<u>2,995</u>
Total liabilities	<u>201,015</u>	<u>61,097</u>	<u>294</u>	<u>262,406</u>
FUND BALANCES				
Committed for:				
Food service operations	10,971,968	-	-	10,971,968
Pupil activities	-	2,686,367	-	2,686,367
Foundation activities	-	-	232,498	232,498
	<u>-</u>	<u>-</u>	<u>232,498</u>	<u>232,498</u>
Total fund balances	<u>10,971,968</u>	<u>2,686,367</u>	<u>232,498</u>	<u>13,890,833</u>
Total liabilities and fund balances	<u>\$ 11,172,983</u>	<u>\$ 2,747,464</u>	<u>\$ 232,792</u>	<u>\$ 14,153,239</u>

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Pupil Activity Fund	Education Foundation, Inc.	Total Nonmajor Governmental Funds
REVENUES				
Local sources	\$ 338,661	\$ 2,040,176	\$ 118,706	\$ 2,497,543
State sources	111,878	-	-	111,878
Federal sources	9,993,140	-	-	9,993,140
	<u>10,443,679</u>	<u>2,040,176</u>	<u>118,706</u>	<u>12,602,561</u>
EXPENDITURES				
Instruction	-	1,018,785	75,938	1,094,723
Supporting services	-	958,190	10,300	968,490
Food service operations	9,773,813	-	-	9,773,813
	<u>9,773,813</u>	<u>1,976,975</u>	<u>86,238</u>	<u>11,837,026</u>
Net change in fund balances	669,866	63,201	32,468	765,535
Fund balances - beginning	<u>10,302,102</u>	<u>2,623,166</u>	<u>200,030</u>	<u>13,125,298</u>
Fund balances - ending	<u><u>\$ 10,971,968</u></u>	<u><u>\$ 2,686,367</u></u>	<u><u>\$ 232,498</u></u>	<u><u>\$ 13,890,833</u></u>

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 342,409	\$ 338,661	\$ (3,748)
State sources:			
Other state funding	637,962	111,878	(526,084)
Federal sources	9,620,195	9,993,140	372,945
Total revenues	10,600,566	10,443,679	(156,887)
EXPENDITURES			
Food service operations	12,944,801	9,773,813	3,170,988
Total expenditures	12,944,801	9,773,813	3,170,988
Net change in fund balance	(2,344,235)	669,866	3,014,101
Fund balance - beginning	10,306,080	10,302,102	(3,978)
Fund balance - ending	<u>\$ 7,961,845</u>	<u>\$ 10,971,968</u>	<u>\$ 3,010,123</u>

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 2,588,000	\$ 2,040,176	\$ (547,824)
EXPENDITURES			
Instruction	4,669,804	1,018,785	3,651,019
Supporting services:			
Instructional staff	-	958,190	(958,190)
Total expenditures	4,669,804	1,976,975	2,692,829
Net change in fund balance	(2,081,804)	63,201	2,145,005
Fund balance - beginning	2,623,166	2,623,166	-
Fund balance - ending	<u>\$ 541,362</u>	<u>\$ 2,686,367</u>	<u>\$ 2,145,005</u>

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
EDUCATION FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 159,000	\$ 118,706	\$ (40,294)
EXPENDITURES			
Instruction	293,261	75,938	217,323
Supporting services:			
Student services	31,000	-	31,000
Instructional staff	10,000	-	10,000
General administration	-	7,144	(7,144)
Business services	5,000	3,156	1,844
Total expenditures	339,261	86,238	253,023
Net change in fund balance	(180,261)	32,468	212,729
Fund balance - beginning	200,030	200,030	-
Fund balance - ending	<u>\$ 19,769</u>	<u>\$ 232,498</u>	<u>\$ 212,729</u>

See the accompanying independent auditors' report.

INTERNAL SERVICE FUND

PUEBLO SCHOOL DISTRICT NO. 60
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services	\$ 1,328,270	\$ 1,305,853	\$ (22,417)
OPERATING EXPENSES			
Insurance claims and expenses	<u>1,816,000</u>	<u>1,992,690</u>	<u>(176,690)</u>
Operating income (loss)	(487,730)	(686,837)	(199,107)
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	<u>-</u>	<u>248</u>	<u>248</u>
Change in net position	(487,730)	(686,589)	(198,859)
Net position - beginning	<u>2,562,691</u>	<u>3,123,176</u>	<u>560,485</u>
Net position - ending	<u><u>\$ 2,074,961</u></u>	<u><u>\$ 2,436,587</u></u>	<u><u>\$ 361,626</u></u>

See the accompanying independent auditors' report.

FEDERAL COMPLIANCE

PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Additional Award Identification	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture					
<i>Child Nutrition Cluster</i>					
Passed Through Colorado Department of Education					
School Breakfast Program	10.553		4553		\$ 2,831,988
National School Lunch Program	10.555		4555		5,697,809
Summer Food Service Program for Children	10.559		4559		116,456
Fresh Fruit and Vegetable Program	10.582		4582		395,085
Passed Through Colorado Department of Human Services					
National School Lunch Program	10.555		4555		741,409
<i>Total Child Nutrition Cluster</i>					9,782,747
Passed Through Colorado Department of Education					
Summer Electronic Benefits Transfer Program for Children	10.646		4646		3,025
Passed Through Colorado Department of Public Health and Environment					
Child and Adult Care Food Program	10.558		4558		210,393
Total U.S. Department of Agriculture					9,996,165
U.S. Department of Defense					
Direct Programs					
Reserve Officer Training Corps (ROTC)	12.Unknown		9001		329,262
Total Department of Defense					329,262
U.S. Department of Education					
Direct Programs					
Magnet Schools Assistance	84.165		7165		2,393,129
					2,393,129
Passed Through Colorado Department of Education					
<i>Special Education Cluster</i>					
Special Education: Grants to States IDEA Part B	84.027		4027		3,593,558
Special Education: Preschool Grants	84.173		4173		84,540
Total SPED Cluster					3,678,098
Every Student Succeeds Act, Title I, Part A	84.010		4010, 5010		7,911,904
English Language Acquisition, Title III, Part A	84.365A		4365		86,791
Supporting Effective Instruction, Title II, Part A	84.367		4367		1,090,551
Student Support and Academic Enrichment Program	84.424A		4424		701,747
Stronger Connections Grant Program	84.424F		4451		99,872
Education for Homeless Children and Youth	84.196A		5196		72,511
Statewide Family Engagement Centers	84.310		5310		10,000
Education Stabilization Fund					
ESSER III	84.425U	COVID-19	4414, 4436		1,784,726
ARP Homeless Children and Youth (ARP-HCY)	84.425W	COVID-19	8426		7,928
Passed through Colorado Community College System					
Vocational Education - Carl Perkins	84.048		4048		109,114
Total U.S. Department of Education					17,946,371
U.S. Department of Health and Human Services					
Passed Through Colorado Department of Education					
Cooperative Agreement for Emergency Response: CDC Nursing Workforce	93.354		7354		25,826
Total U.S. Department of Health and Human Services					25,826
Total Federal Awards				\$ -	\$ 28,297,624

See the accompanying independent auditors' report.

PUEBLO SCHOOL DISTRICT NO. 60
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Pueblo School District No. 60 under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pueblo School District No. 60, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pueblo School District No. 60.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available. ROTC does not have a ALN number, so the Federal ALN number on the Schedule of Expenditures of Federal Awards identifies the Department followed by "Unknown".

NOTE 3 – INDIRECT COST RATE

Pueblo School District No. 60 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2025, Pueblo School District No. 60 received \$741,409 in non-cash assistance in the form of food commodities. Valuation of commodities is based on fair market value at the time of receipt.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Pueblo School District No. 60

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pueblo School District No. 60, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise Pueblo School District No. 60's basic financial statements, and have issued our report thereon dated February 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pueblo School District No. 60's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pueblo School District No. 60's internal control. Accordingly, we do not express an opinion on the effectiveness of Pueblo School District No. 60's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pueblo School District No. 60's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoelting & Company Inc.

Colorado Springs, Colorado
February 28, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Education
Pueblo School District No. 60

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pueblo School District No. 60's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Pueblo School District No. 60's major federal programs for the year ended June 30, 2025. Pueblo School District No. 60's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pueblo School District No. 60 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pueblo School District No. 60 and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pueblo School District No. 60's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Pueblo School District No. 60's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pueblo School District No. 60's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pueblo School District No. 60's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Pueblo School District No. 60's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pueblo School District No. 60's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pueblo School District No. 60's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hoelting & Company Inc.

Colorado Springs, Colorado
February 28, 2026

**PUEBLO SCHOOL DISTRICT NO. 60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section II—Financial Statement Findings

No findings reported.

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.

The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the Pueblo School District No. 60 Schedule of Findings and Questioned Costs for the year ended June 30, 2024. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2025 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

There were no prior year audit findings.

STATE COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON COLORADO SCHOOL
DISTRICT/BOCES AUDITOR'S INTEGRITY REPORT**

To the Board of Education
Pueblo School District No. 60

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pueblo School District No. 60, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Pueblo School District No. 60's basic financial statements as listed in the table of contents. Our report thereon, dated February 28, 2026, expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo School District No. 60's basic financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is 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 *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company, Inc.

Colorado Springs, Colorado
February 28, 2026



Colorado Department of Education
Auditors Integrity Report
District: 2690 - Pueblo City 60
Fiscal Year 2024-25
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	36,645,399	164,876,032	166,876,637	34,644,795
18 Risk Mgmt Sub-Fund of General Fund	2,291,342	1,868,456	2,100,170	2,059,628
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	38,936,741	166,744,488	168,976,807	36,704,423
11 Charter School Fund	5,127,971	21,195,092	21,208,329	5,114,735
20,26-29 Special Revenue Fund	4,221,565	3,265,028	26,060,320	-18,573,728
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	10,302,102	10,443,679	9,773,812	10,971,968
22 Govt Designated-Purpose Grants Fund	0	22,981,278	22,981,278	0
23 Pupil Activity Special Revenue Fund	2,623,166	2,040,176	1,976,975	2,686,367
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	19,026,949	18,120,727	17,921,811	19,225,865
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	27,152,035	1,062,761	12,793,263	15,421,534
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	34,223,531	6,216,186	9,272,472	31,167,245
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	141,614,060	252,069,417	290,965,068	102,718,408
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	3,123,176	248	686,837	2,436,587
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	3,123,176	248	686,837	2,436,587
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL