



**SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
MOSCA, COLORADO**

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Sangre de Cristo School District RE-22J
Mosca, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sangre de Cristo School District RE-22J (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter

As described in Note 11 to the financial statements, as of and for the year ended June 30, 2024, have been restated to correct a misstatement. Additionally, the District adopted new accounting guidance, GASBS No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Education
Sangre de Cristo School District RE-22J

Supplementary Information

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

DMC Auditing and Consulting, LLC

February 27, 2026
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sangre de Cristo School District RE – 22J

Management’s Discussion and Analysis

The discussion and analysis of Sangre de Cristo School District RE 22J’s financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2025.

The intent of this discussion and analysis is to look at the District’s financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and to enhance their understanding of the District’s performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June 1999. The GASB requires certain comparative information between the current year and the prior year to be presented in the MD & A.

Financial Highlights

The total assets including land, buildings, and equipment and deferred outflows of resources exceeded the total liabilities and deferred inflows of resources of the School District at the close of the fiscal year June 30, 2025, by \$12,154,031 for the primary reporting entity.

The general revenues from property tax, specific ownership tax, and state equalization amount to \$4,826,191.

The 2024-2025 restated beginning fund balance for total government funds was \$3,370,581 and the 2024-2025 ending fund balance was \$3,990,270.

Overview of Financial Statements

The MD&A serves as an introduction to the District’s financial statements, which comprise:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the District’s financial status in a manner similar to a private-sector business.

- **Statement of Net Position:** Reports the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of June 30, 2025.

	Governmental Activities	
	2025	2024
ASSETS		
Current and Other Assets	4,587,812	4,110,237
Capital Assets, Net	14,793,959	15,135,463
Total Assets	19,381,771	19,245,700
Deferred Outflows of Resources	1,017,999	1,538,115
LIABILITIES		
Current and Other Liabilities	440,432	983,263
Long-Term Liabilities	7,206,101	7,935,875
Total Liabilities	7,646,533	8,919,138
Deferred Inflows of Resources	599,206	517,894
NET POSITION		
Net Investment in Capital Assets	13,128,959	13,480,463
Restricted For:		
Food Service	9,028	34,761
Debt Service	610,510	548,211
Emergencies	141,000	140,000
BEST Grant Capital Construction	-	290,630
Unrestricted	(1,735,466)	(3,147,782)
Total Net Position	12,154,031	11,346,783

- **Statement of Activities:** Shows changes in the net position due to revenues and expenditures.

	Governmental Activities	
	2025	2024
REVENUES		
Charges for Services	172,049	165,326
Operating Grants and Contributions	684,695	802,011
Capital Grants and Contributions	320,016	-
Property Taxes	1,816,654	1,587,615
Specific Ownership Taxes	207,841	220,828
State Equalization	2,801,696	2,529,488
Investment Income	41,200	29,367
Other	9,443	10,441
Total Revenues	6,053,594	5,345,076
EXPENSES		
Instruction	2,896,321	2,765,556
Supporting Services	1,836,373	2,023,742
Food Services	309,946	328,431
Interest on Long-Term Debt	34,080	102,094
Total Expenses	5,076,720	5,219,823
Change in Net Position	976,874	125,253
Net Position, Beginning*	11,177,157	11,221,530
Net Position, Ending	12,154,031	11,346,783

*Beginning Net Position As Restated in 2025

Fund Financial Statements

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources.

- The **General Fund Balance** increased by \$612,533 reaching \$2,902,908 at year-end.
- The **Debt Service Fund** had an ending balance of \$600,740.
- The **Food Service Fund Balance** decreased by \$29,782 ending the year at \$17,930.

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For School Districts, funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – The District's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them.

Sangre de Cristo School District Re-22J maintains five individual governmental funds. Information is presented separately in the governmental fund - balance sheet and in the governmental fund - statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-35 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law. A budgetary comparison schedule has been provided on pages 36-43 for the funds to demonstrate compliance.

General Fund Budgetary Highlights

The General Fund's total Revenues were \$358,321 higher than budgeted due primarily to higher than expected property taxes and state grants, partially offset by lower than expected specific ownership taxes and federal grants.

General Fund's total expenditures were \$2.2M less than budget due primarily to lower than expected operating expenses, staff turnover, and lower than expected capital outlay expenditures.

This resulted in an ending General Fund balance that is \$2.9M higher than budgeted.

Capital Projects Fund

This fund is to be used to account for the purposes and limitations specified by Section 22-45-103(1), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles. 2024-25 activity was minimal with \$1,235 in Revenue, \$80 in expenditures, and an ending fund balance of \$353,373.

Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses for the districts Bond that our voters passed in November 2009 to match funds for the BEST Grant district was awarded the amount of \$19,732,875. Activity in this fund during the fiscal year ended June 30, 2025, was \$343,737 in revenues, and \$313,866 in expenditures.

Food Service Fund

This fund is used to account for the District's activity related to food service operations. The fund experienced \$278,559 in revenue and other sources, and \$308,341 in expenditures, with an ending fund balance of \$17,930.

Fiduciary Funds

This Scholarship Fund was reclassified from a fiduciary fund into the General Fund in compliance with GASB definitions of a fiduciary fund. The total net position in the Scholarship fund was \$28,005, which is now recorded as a committed fund balance in the General Fund.

Capital Asset and Debt Administration

- **Capital Assets:** The District's capital assets decreased to \$14,793,959, down from \$15,135,463 in the prior year, due to annual depreciation.
- **Long-Term Debt:** General obligation bond payable decreased from \$1,655,000 to \$1,405,000 due to scheduled principal repayments. In November of 2008 the District's Voter's passed a bond to match funds for the BEST Grant to build a new school. The district was awarded \$19,732,875.

Economic Factors and Budget Considerations

- Colorado School Districts are largely funded by state revenue backfilling the gap between local property tax revenue.
- Enrollment has fluctuated funding received by the District in the past couple years.
- District has strategically leveraged grant funding.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Sangre de Cristo School District Re-22J, 8751 Lane 7 N. Mosca, CO. 81146.

BASIC FINANCIAL STATEMENTS

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF NET POSITION
June 30, 2025

PRIMARY
GOVERNMENT
GOVERNMENTAL
ACTIVITIES

ASSETS	
Cash and Investments	\$ 4,273,760
Accounts Receivable	14,943
Grants Receivable	45,499
Taxes Receivable	244,708
Inventories	8,902
Capital Assets, <i>Not Being Depreciated</i>	32,667
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>14,761,292</u>
TOTAL ASSETS	<u>19,381,771</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	1,003,024
OPEB, <i>Net of Accumulated Amortization</i>	<u>14,975</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,017,999</u>
LIABILITIES	
Accrued Salaries and Benefits	435,590
Accrued Interest Payable	4,842
Noncurrent Liabilities	
Due Within One Year	260,000
Due in More Than One Year	1,347,646
Net Pension Liability	5,500,855
Net OPEB Liability	<u>97,600</u>
TOTAL LIABILITIES	<u>7,646,533</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	527,118
OPEB, <i>Net of Accumulated Amortization</i>	<u>72,088</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>599,206</u>
NET POSITION	
Net Investment in Capital Assets	13,128,959
Restricted for:	
Food Service	9,028
Debt Service	610,510
Emergencies	141,000
Unrestricted	<u>(1,735,466)</u>
TOTAL NET POSITION	<u>\$ 12,154,031</u>

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
Governmental Activities	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Instruction	\$ 2,896,321	\$ -	\$ 353,825	\$ (2,542,496)
Supporting Services	1,836,373	139,459	147,674	(1,229,224)
Food Services	309,946	32,590	183,196	(94,160)
Interest on Long-Term Debt	<u>34,080</u>	<u>-</u>	<u>-</u>	<u>(34,080)</u>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,076,720	\$ 172,049	\$ 684,695	\$ (3,899,960)
GENERAL REVENUES				
Local Property Taxes				1,816,654
Specific Ownership Taxes				207,841
State Equalization				2,801,696
Investment Income				41,200
Other				<u>9,443</u>
TOTAL GENERAL REVENUES				4,876,834
CHANGE IN NET POSITION				976,874
NET POSITION, Beginning, as Originally Stated				11,346,783
Reclassification of Scholarship Fund				28,005
Change in Accounting Principle				<u>(197,631)</u>
NET POSITION, Beginning, as Restated				11,177,157
NET POSITION, Ending				\$ 12,154,031

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	DEBT SERVICE	FOOD SERVICE
ASSETS			
Cash and Investments	\$ 3,138,638	\$ 586,666	\$ 79,764
Accounts Receivable	14,943	-	-
Taxes Receivable	216,022	28,686	-
Grants Receivable	45,499	-	-
Interfund Receivables	62,245	-	-
Inventories	-	-	8,902
	-	-	8,902
TOTAL ASSETS	\$ 3,477,347	\$ 615,352	\$ 88,666
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accrued Salaries and Benefits	\$ 427,099	\$ -	\$ 8,491
Interfund Payables	-	-	62,245
	-	-	62,245
TOTAL LIABILITIES	427,099	-	70,736
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	147,340	14,612	-
	147,340	14,612	-
FUND BALANCES			
Nonspendable Inventories	-	-	8,902
Restricted for:			
Debt Service	-	600,740	-
Emergencies	141,000	-	-
Food Service	-	-	9,028
Committed to Scholarships	28,417	-	-
Assigned to:			
Capital Projects	-	-	-
Student Activities	-	-	-
Unassigned	2,733,491	-	-
	2,733,491	-	-
TOTAL FUND BALANCES	2,902,908	600,740	17,930
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,477,347	\$ 615,352	\$ 88,666

See Notes to the Financial Statements.

NONMAJOR GOVERNMENTAL FUNDS		TOTAL
<u> </u>	<u> </u>	<u> </u>
\$ 468,692	\$ 4,273,760	
-	14,943	
-	244,708	
-	45,499	
-	62,245	
-	8,902	
<u>468,692</u>	<u>4,650,057</u>	
\$ -	\$ 435,590	
-	62,245	
-	497,835	
-	161,952	
-	8,902	
-	600,740	
-	141,000	
-	9,028	
-	28,417	
353,373	353,373	
115,319	115,319	
-	2,733,491	
<u>468,692</u>	<u>3,990,270</u>	
\$ <u>468,692</u>	\$ <u>4,650,057</u>	

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
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 Balances of Governmental Funds	\$	3,990,270
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		14,793,959
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		161,952
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(4,842)
Bonds Payable		(1,405,000)
Accrued Compensated Absences		(202,646)
Net Pension Liability		(5,500,855)
Pension-Related Deferred Outflows of Resources		1,003,024
Pension-Related Deferred Inflows of Resources		(527,118)
Net OPEB Liability		(97,600)
OPEB-Related Deferred Outflows of Resources		14,975
OPEB-Related Deferred Inflows of Resources		(72,088)
		12,154,031
Total Net Position of Governmental Activities	\$	12,154,031

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>FOOD SERVICE</u>
REVENUES			
Local Sources	\$ 1,637,220	\$ 343,737	\$ 32,608
County Sources	2	-	-
State Sources	3,065,594	-	43,387
Federal Sources	557,617	-	139,809
	<u>5,260,433</u>	<u>343,737</u>	<u>215,804</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Instruction	2,403,602	-	-
Supporting Services	1,857,131	-	-
Food Service	-	-	308,341
Capital Outlay	324,412	-	-
Debt Service			
Principal	-	250,000	-
Interest and Fiscal Charges	-	63,866	-
	<u>4,585,145</u>	<u>313,866</u>	<u>308,341</u>
TOTAL EXPENDITURES			
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>675,288</u>	<u>29,871</u>	<u>(92,537)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	62,755
Transfers Out	(62,755)	-	-
	<u>(62,755)</u>	<u>-</u>	<u>62,755</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGES IN FUND BALANCES	612,533	29,871	(29,782)
FUND BALANCES, Beginning, as Originally Stated	2,262,370	570,869	-
Reclassification from Nonmajor to Major	-	-	47,712
Reclassification of Scholarship Fund	28,005	-	-
	<u>2,290,375</u>	<u>570,869</u>	<u>47,712</u>
FUND BALANCES, Beginning, as Reclassified			
FUND BALANCES, Ending	<u>\$ 2,902,908</u>	<u>\$ 600,740</u>	<u>\$ 17,930</u>

NONMAJOR GOVERNMENTAL FUNDS		TOTAL	
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$	140,694	\$	2,154,259
	-		2
	-		3,108,981
	-		697,426
	<u>140,694</u>		<u>5,960,668</u>
	133,547		2,537,149
	-		1,857,131
	-		308,341
	80		324,492
	-		250,000
	-		63,866
	<u>133,627</u>		<u>5,340,979</u>
	<u>7,067</u>		<u>619,689</u>
	-		62,755
	-		<u>(62,755)</u>
	-		-
	7,067		619,689
	509,337		3,342,576
	(47,712)		-
	-		<u>28,005</u>
	<u>461,625</u>		<u>3,370,581</u>
\$	<u><u>468,692</u></u>	\$	<u><u>3,990,270</u></u>

See Notes to the Financial Statements.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

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

Net Change in Fund Balances of Governmental Funds	\$	619,689
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 follows:		
Depreciation Expense		(666,649)
Capital Outlay		325,145
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		
		92,926
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		250,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		29,786
Accrued Compensated Absences		44,449
Net Pension Liability		827,746
Pension-Related Deferred Outflows of Resources		(514,774)
Pension-Related Deferred Inflows of Resources		(81,524)
Net OPEB Liability		55,211
OPEB-Related Deferred Outflows of Resources		(5,343)
OPEB-Related Deferred Inflows of Resources		212
		976,874
Change in Net Position of Governmental Activities	\$	976,874

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Sangre de Cristo School District RE-22J (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The *Food Service Fund* is used to account for the District's food service function that serves meals to students.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

Buildings and Improvements	15 - 40 years
Equipment and Vehicles	5 - 20 years

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

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

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

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

Compensated Absences – Twelve-month and nine-month personnel accrue up to 12 and 9 days of annual leave, respectively. Unused sick leave and related benefits for staff with more than three years of continuous service at the District are paid upon termination at half of the certified substitute rate. Only a limited number of staff are granted vacation leave, which is forfeited six months after fiscal year end and not paid out upon termination. A more likely than not to be used liability has been calculation for this vacation leave and sick leave for staff with less than three years of service. These compensated absences are recognized as expenditures in the governmental funds when due.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Property Taxes

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments

At June 30, 2025, the District had the following cash and investments:

Cash on Hand	\$ 3,072
Deposits	1,675,031
Investments	<u>2,595,657</u>
Total	<u>\$ 4,273,760</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the District had bank deposits of \$1,458,684 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

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

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

Fair Value Measurements - At June 30, 2025, the District's investments in the local government investment pool reported at the net asset value per share.

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

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

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

Local Government Investment Pool - At June 30, 2025, the District had \$2,595,657 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. ColoTrust is measured at the net asset value per share, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balances 6/30/2024	Additions	Deletions	Balances 6/30/2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 32,667	\$ -	\$ -	\$ 32,667
Capital Assets, Being Depreciated:				
Buildings and Improvements	22,211,905	-	-	22,211,905
Equipment and Vehicles	2,065,976	325,145	-	2,391,121
Food Service	373,414	-	-	373,414
Total Capital Assets, Being Depreciated	24,651,295	325,145	-	24,976,440
Less Accumulated Depreciation:				
Buildings and Improvements	(7,327,171)	(568,273)	-	(7,895,444)
Equipment and Vehicles	(1,868,601)	(80,291)	-	(1,948,892)
Food Service	(352,727)	(18,085)	-	(370,812)
Total Accumulated Depreciation	(9,548,499)	(666,649)	-	(10,215,148)
Capital Assets, Being Depreciated, Net	15,102,796	(341,504)	-	14,761,292
Capital Assets, Governmental Activities, Net	\$ 15,135,463	\$ (341,504)	\$ -	\$ 14,793,959

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: Capital Assets (Continued)

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

Instruction	\$ 568,273
Supporting Services	80,291
Food Services	18,085
Total	\$ 666,649

NOTE 4: Interfund Transfers

At June 30, 2025, the General Fund transferred \$62,755 to the Food Service Fund to subsidize the food service operations. The General Fund also temporarily subsidized \$62,245 of the food service expenditures, which were repaid after year end.

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance, Restated 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental Activities					
G.O. Bonds, Series 2009	\$ 1,655,000	\$ -	\$ 250,000	\$ 1,405,000	\$ 260,000
Compensated Absences	247,094	-	44,448	202,646	-
Total	\$ 1,902,094	\$ -	\$ 294,448	\$ 1,607,646	\$ 260,000

On August 12, 2009, the District issued General Obligation Bonds, Series 2009, in the amount of \$4,000,000 for the purpose of constructing District facilities. The bond proceeds were used to match \$19,732,875 in BEST program funds provided under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. Principal payments are due annually on December 1, through 2029. Interest payments are due semi-annually on June 1st and December 1st, with a fixed interest rate accruing at 4.135% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District. Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 260,000	\$ 52,724	\$ 312,724
2027	270,000	41,766	311,766
2028	280,000	30,394	310,394
2029	290,000	18,608	308,608
2030	305,000	6,306	311,306
Total	\$ 1,405,000	\$ 149,798	\$ 1,554,798

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Risk Management

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

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

NOTE 7: Defined Benefit Pension Plan

General Information

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

Benefits Provided as of December 31, 2024 – The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

Contributions provisions as of June 30, 2025 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2025, were \$505,471 equal to the required contributions at a contribution rate of 20.38%.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF.

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

The net pension liability was measured at December 31, 2024, and the total pension liability 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 total pension liability to December 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the District's proportion was 0.0318799595%, which was a decrease of 0.0039083743% from its proportion measured at December 31, 2023.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 5,500,855
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>494,064</u>
Total	<u><u>\$ 5,994,919</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$273,771 and a revenue of (\$45,093) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 311,507	\$ -
Changes of assumptions and other inputs	41,240	-
Net difference between projected and actual earnings on plan investments	103,784	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	293,873	527,118
Contributions subsequent to the measurement date	<u>252,620</u>	<u>-</u>
Total	<u><u>\$ 1,003,024</u></u>	<u><u>\$ 527,118</u></u>

District contributions subsequent to the measurement date of \$1,171,385 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>			
2026		\$ 242,817	
2027		283,131	
2028		(228,640)	
2029		<u>(74,022)</u>	
Total		<u><u>\$ 223,286</u></u>	

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

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

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

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

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 of Directors 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.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, PERA's Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director's November 15, 2019, meeting, and again at the Board's September 22, 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:

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 7,457,884	\$ 5,500,855	\$ 3,861,569

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, 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. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and 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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2025, was \$25,128, equal to the required amount.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

At June 30, 2025, the District reported a net OPEB liability of \$97,600, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability 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 total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0204113771%, which was a decrease of 0.0009987908% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$24,781). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,529
Changes of assumptions and other inputs	1,120	31,197
Net difference between projected and actual earnings on plan investments	332	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	880	19,362
Contributions subsequent to the measurement date	12,643	-
Total	\$ 14,975	\$ 72,088

District contributions subsequent to the measurement date of \$12,643 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (19,064)
2027	(12,748)
2028	(16,619)
2029	(10,424)
2030	(7,312)
2031	(3,589)
Total	\$ (69,756)

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and 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 are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare		MAPD PPO #2 with Medicare		MAPD HMO (Kaiser) with Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for 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		MAPD PPO #2 without Medicare		MAPD HMO (Kaiser) without Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for 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.

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.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Measurement Year	PERACare Medicare Plans *	PERACare Medicare Plans *	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%

*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 determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree table using 99% of the rates for all ages.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-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 rate based on an experience analysis of recent data. The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

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 of Directors 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.

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

- Salary increases, including wage inflation for the SDTF were 4% - 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.
- 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. All categories in 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 SDTF participate in the HCTF (Note 7).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 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 of Director’s actuary.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

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	<u>100.00%</u>	

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%.

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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%.
- 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 December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The 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 HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 94,971</u>	<u>\$ 97,600</u>	<u>\$ 100,576</u>

** For the January 1, 2025, plan year.

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 119,611</u>	<u>\$ 97,600</u>	<u>\$ 78,625</u>

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 9: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$141,000.

Litigation

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

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$52,134 to the BOCES. Separate financial statements for the BOCES are available at 2261 Enterprise Drive, Alamosa, Colorado 81101, or online at <https://slvboces.org/>.

NOTE 11: Restatement – Reclassification of Scholarship Fund and Change in Accounting Principle

The Scholarship Fund previously reported as Fiduciary Fund did not meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the beginning fund balance of the Scholarship Fund was reclassified to the General Fund.

Additionally, at June 30, 2025, the District applied a change in accounting principle as a result of the required implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of this GASB required a retroactive application that involved a restatement to the beginning net position for a single period for the fiscal year ended June 30, 2024. These adjustments corrected beginning net position and beginning fund balances for the fiscal year ended June 30, 2024, in the following amounts:

	General Fund	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 2,262,370	\$ 3,342,576	\$ 11,346,783
Reclassification - Combine Scholarship Fund with General Fund	28,005	28,005	28,005
Change in Accounting Principle (GASB 101)	-	-	(197,631)
Net Position/Fund Balance, Beginning, as Restated	\$ 2,290,375	\$ 3,370,581	\$ 11,177,157

For the fiscal year ended June 30, 2025, the Food Service Fund met the criteria for a major fund and reclassified from nonmajor fund to a major fund for reporting purposes.

REQUIRED SUPPLEMENTARY INFORMATION

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Property Taxes	\$ 1,326,823	\$ 1,403,511	\$ 76,688
Specific Ownership Taxes	369,000	207,841	(161,159)
Investment Income	1,745	16,427	14,682
Miscellaneous	15,305	9,441	(5,864)
County Sources	75	2	(73)
State Grants	2,428,075	3,065,594	637,519
Federal Grants	836,742	557,617	(279,125)
TOTAL REVENUES	<u>4,977,765</u>	<u>5,260,433</u>	<u>358,321</u>
EXPENDITURES			
Current			
Instruction	<u>2,943,910</u>	<u>2,403,602</u>	<u>540,308</u>
Supporting Services			
Students	239,623	161,248	78,375
Instructional Staff	437,666	53,859	383,807
General Administration	512,000	301,310	210,690
School Administration	334,577	272,728	61,849
Business Services	100,051	85,433	14,618
Operations and Maintenance	583,820	638,392	(54,572)
Student Transportation	264,422	212,578	51,844
Other Support	-	6,619	(6,619)
Central Support	221,000	124,964	96,036
Community Services	6,000	-	6,000
Total Supporting Services	<u>2,699,159</u>	<u>1,857,131</u>	<u>842,028</u>
Debt Service			
Principal	10,000	-	10,000
Interest	200	-	200
Total Debt Service	<u>10,200</u>	<u>-</u>	<u>10,200</u>
Capital Outlay	<u>794,765</u>	<u>324,412</u>	<u>470,353</u>
Contingency	<u>368,189</u>	<u>-</u>	<u>368,189</u>
TOTAL EXPENDITURES	<u>6,816,223</u>	<u>4,585,145</u>	<u>2,231,078</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,838,458)</u>	<u>675,288</u>	<u>2,513,746</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(71,000)</u>	<u>(62,755)</u>	<u>8,245</u>
CHANGE IN FUND BALANCE	(1,909,458)	612,533	2,521,991
FUND BALANCE, Beginning, as Originally Stated	1,945,726	2,262,370	316,644
Reclassification of Scholarship Fund	<u>-</u>	<u>28,005</u>	<u>28,005</u>
FUND BALANCE, Beginning, as Restated	<u>1,945,726</u>	<u>2,290,375</u>	<u>344,649</u>
FUND BALANCE, Ending	<u>\$ 36,268</u>	<u>\$ 2,902,908</u>	<u>\$ 2,866,640</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Fees	\$ 61,500	\$ 32,590	\$ (28,910)
Investment Income	50	18	(32)
Other	5,700	-	(5,700)
State Grants	2,750	43,387	40,637
Federal Grants	111,639	139,809	28,170
TOTAL REVENUES	<u>181,639</u>	<u>215,804</u>	<u>34,165</u>
EXPENDITURES			
Current			
Salaries	111,000	129,014	(18,014)
Benefits	59,195	63,811	(4,616)
Purchased Services	2,700	425	2,275
Supplies and Materials	92,280	115,091	(22,811)
Capital Outlay	4,825	-	4,825
TOTAL EXPENDITURES	<u>270,000</u>	<u>308,341</u>	<u>(38,341)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(88,361)</u>	<u>(92,537)</u>	<u>(4,176)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	40,000	62,755	22,755
CHANGE IN FUND BALANCE	(48,361)	(29,782)	18,579
FUND BALANCE, Beginning	48,361	47,712	(649)
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 17,930</u>	<u>\$ 17,930</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0318799595%	0.0357883338%	0.0309693242%	0.0371487724%
District's Proportionate Share of the Net Pension Liability	\$ 5,500,855	\$ 6,328,602	\$ 5,174,821	\$ 7,503,106
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>494,064</u>	<u>138,767</u>	<u>593,227</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 5,994,919</u>	<u>\$ 6,467,369</u>	<u>\$ 5,768,048</u>	<u>\$ 7,503,106</u>
District's Covered Payroll	\$ 2,463,505	\$ 2,365,926	\$ 2,853,569	\$ 2,770,522
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	181%	271%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	66%	75%	67%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 505,471	\$ 491,351	\$ 600,169	\$ 567,290
Contributions in Relation to the Statutorily Required Contribution	<u>(505,471)</u>	<u>(491,351)</u>	<u>(600,169)</u>	<u>(567,290)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,480,223	\$ 2,410,939	\$ 2,944,891	\$ 2,853,569
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0415901162%	0.0369241183%	0.0371933033%	0.0418079336%	0.0417553832%	0.0437131924%
\$ 6,350,712	\$ 7,603,466	\$ 15,845,793	\$ 14,012,943	\$ 7,056,260	\$ 6,550,479
<u>805,506</u>	<u>1,039,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,156,218</u>	<u>\$ 8,643,134</u>	<u>\$ 15,845,793</u>	<u>\$ 14,012,943</u>	<u>\$ 7,056,260</u>	<u>\$ 6,550,479</u>
\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616	\$ 2,058,864	\$ 2,003,098
244%	315%	688%	639%	343%	327%
65%	57%	44%	43%	59%	63%
<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 550,780	\$ 504,226	\$ 461,134	\$ 434,960	\$ 402,979	\$ 365,188
<u>(550,780)</u>	<u>(504,226)</u>	<u>(461,134)</u>	<u>(434,960)</u>	<u>(402,979)</u>	<u>(365,188)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,770,522	\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616	\$ 2,058,864
19.88%	19.38%	19.13%	18.88%	18.39%	17.74%

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0204113771%	0.0214101679%	0.0235315649%	0.0242553169%
District's Proportionate Share of the Net OPEB Liability	\$ 97,600	\$ 152,810	\$ 250,360	\$ 272,651
District's Covered Payroll	\$ 2,463,505	\$ 2,365,926	\$ 2,853,569	\$ 2,770,522
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	3.96%	6.46%	8.77%	9.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	39.40%	32.78%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contributions	\$ 25,298	\$ 24,592	\$ 30,038	\$ 29,106
Contributions in Relation to the Statutorily Required Contribution	(25,298)	(24,592)	(30,038)	(29,106)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 2,480,223	\$ 2,410,939	\$ 2,944,891	\$ 2,853,569
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

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

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0240553692%	0.0241315675%	0.0241757581%	0.0237551015%
\$ 312,232	\$ 379,747	\$ 361,851	\$ 346,849
\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616
12.00%	15.75%	15.71%	15.83%
24.49%	17.03%	17.53%	16.71%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 28,259	\$ 26,539	\$ 24,588	\$ 23,493
<u>(28,259)</u>	<u>(26,539)</u>	<u>(24,588)</u>	<u>(23,493)</u>
\$ -	\$ -	\$ -	\$ -
\$ 2,770,522	\$ 2,601,859	\$ 2,410,530	\$ 2,303,311
1.02%	1.02%	1.02%	1.02%

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

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

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

Budget Compliance

At June 30, 2025, the Food Service Fund actual expenditures/expenses exceeded budgeted appropriations by \$38,141. This may be a violation of state statutes.

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

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

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

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

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

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

As of the December 31, 2024, measurement date, the fiduciary net position, 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.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 3: Changes in Assumptions and Other Inputs

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

SB 25-310 was enacted on June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars will be proportioned over time to replace reductions to the 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.

HCTF Plan – 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.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://copera.org/forms-resources/financial-reports-and-studies>.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
BUDGETARY COMPARISON SCHEDULES**

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and Investments	\$ <u> -</u>	\$ <u> 115,319</u>	\$ <u> 353,373</u>	\$ <u> 468,692</u>
FUND BALANCES				
Assigned to:				
Capital Projects	-	-	353,373	353,373
Student Activities	<u> -</u>	<u> 115,319</u>	<u> -</u>	<u> 115,319</u>
TOTAL FUND BALANCES	\$ <u> -</u>	\$ <u> 115,319</u>	\$ <u> 353,373</u>	\$ <u> 468,692</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ -	\$ 139,459	\$ 1,235	\$ 140,694
EXPENDITURES				
Current				
Instruction	-	133,547	-	133,547
Capital Outlay	-	-	80	80
TOTAL EXPENDITURES	<u>-</u>	<u>133,547</u>	<u>80</u>	<u>133,627</u>
CHANGES IN FUND BALANCES	-	5,912	1,155	7,067
FUND BALANCES, Beginning, as Originally Stated	47,712	109,407	352,218	509,337
Reclassification from Nonmajor to Major	<u>(47,712)</u>	<u>-</u>	<u>-</u>	<u>(47,712)</u>
FUND BALANCES, Beginning, as Reclassified	<u>-</u>	<u>109,407</u>	<u>352,218</u>	<u>461,625</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ 115,319</u>	<u>\$ 353,373</u>	<u>\$ 468,692</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Student Activity Fees	\$ 128,184	\$ 139,459	\$ 11,275
Investment Income	111	-	(111)
	<u>128,295</u>	<u>139,459</u>	<u>11,164</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Supporting Services	<u>234,415</u>	<u>133,547</u>	<u>100,868</u>
CHANGE IN FUND BALANCE	(106,120)	5,912	112,143
FUND BALANCE, Beginning	<u>106,120</u>	<u>109,407</u>	<u>3,287</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 115,319</u>	<u>\$ 115,319</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2025

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Investment Income	\$ 571	\$ 1,235	\$ 664
Miscellaneous	<u>180,234</u>	<u>-</u>	<u>(180,234)</u>
 TOTAL REVENUES	 <u>180,805</u>	 <u>1,235</u>	 <u>(179,570)</u>
 EXPENDITURES			
Capital Outlay	<u>500,000</u>	<u>80</u>	<u>499,920</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(319,195)</u>	 <u>1,155</u>	 <u>320,350</u>
 OTHER FINANCING SOURCES (USES)			
Transfers In	<u>31,000</u>	<u>-</u>	<u>(31,000)</u>
 CHANGE IN FUND BALANCE	 (288,195)	 1,155	 289,350
FUND BALANCE, Beginning	<u>288,195</u>	<u>352,218</u>	<u>64,023</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 353,373</u>	<u>\$ 353,373</u>

SANGRE DE CRISTO SCHOOL DISTRICT RE-22J
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Sources			
Property Taxes	\$ 228,372	\$ 320,217	\$ 91,845
Investment Income	<u>400</u>	<u>23,520</u>	<u>23,120</u>
TOTAL REVENUES	<u>228,772</u>	<u>343,737</u>	<u>114,965</u>
EXPENDITURES			
Debt Service			
Principal	219,000	250,000	(31,000)
Interest	170,000	63,266	106,734
Fees and Charges	1,000	600	400
Contingency	<u>360,000</u>	<u>-</u>	<u>360,000</u>
TOTAL EXPENDITURES	<u>750,000</u>	<u>313,866</u>	<u>436,134</u>
CHANGE IN FUND BALANCE	(521,228)	29,871	551,099
FUND BALANCE, Beginning	<u>521,228</u>	<u>570,869</u>	<u>49,641</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 600,740</u>	<u>\$ 600,740</u>

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0110 – Sangre De Cristo Re-22]
 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							
1000 - General Fund	2,290,375		5,260,433		4,647,900		2,902,908
1000 - Special Revenue Fund	0		0		0		0
1000 - Capital Projects Program Fund	0		0		0		0
Sub-Total	2,290,375		5,260,433		4,647,900		2,902,908
1000 - Charter School Fund	0		0		0		0
1000 - Special Revenue Fund	0		0		0		0
1000 - Supplemental Cap Const, Tech, Main Fund	0		0		0		0
1000 - Total Program Reserve Fund	0		0		0		0
2100 - Food Service Spec Revenue Fund	47,713		278,558		308,341		17,930
2200 - Unrestricted-Purpose Grants Fund	0		0		0		0
2300 - Pupil Activity Special Revenue Fund	109,407		139,459		133,547		115,319
2400 - Transportation Fund	0		0		0		0
2500 - Bond Redemption Fund	570,869		343,737		313,866		600,740
2600 - Certificate of Participation (COP) Debt Service Fund	0		0		0		0
2700 - Building Fund	0		0		0		0
2800 - Special Building Fund	0		0		0		0
2900 - Applications Reserve Capital Projects Fund	352,219		1,235		80		352,373
2900 - Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	3,370,582		6,023,422		5,403,734		3,950,270
Proprietary							
3000 - Other Enterprise Funds	0		0		0		0
3100 - Risk-Related Activity Fund	0		0		0		0
3200 - Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
4000 - Trust and Agency Funds	0		0		0		0
4100 - Private Purpose Trust Fund	0		0		0		0
4200 - Agency Fund	0		0		0		0
4300 - Pupil Activity Agency Fund	0		0		0		0
4400 - GASB 34 Permanent Fund	0		0		0		0
4500 - Accumulations	0		0		0		0
Totals	0		0		0		0

FINAL

