

**ARCHULETA SCHOOL DISTRICT 50 JT
PAGOSA SPRINGS, COLORADO**

FINANCIAL STATEMENTS

June 30, 2025



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

ARCHULETA SCHOOL DISTRICT 50 JT
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ARCHULETA SCHOOL DISTRICT 50 JT

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Colorado School Districts Auditor's Integrity Report

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Education
Archuleta School District 50 JT
Pagosa Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Archuleta School District 50 JT (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

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substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial schedules, the Colorado School District's Auditor's Integrity Report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial schedules, the Colorado School District's Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 25, 2025

ARCHULETA SCHOOL DISTRICT 50 JT.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Archuleta School District 50 JT ("District"), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025 ("FY25"). Please consider the information presented here in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ✓ The District recorded revenues of \$24,097,748 for FY25, a decrease of 0.8% from the prior year. While local tax revenues increased by 5.2%, the grants fund revenue decreased by 27% due to the end of the Covid-era Federal grants, which was expected.
- ✓ Expenditures for FY25 were \$23,547,380, representing a decrease of 2.3%, or \$551,079, from FY24. Staff salary increases of 3% plus a step were offset by general fund non-salary/benefit budget decreases of 5%.
- ✓ The net position of the District increased by \$180,975, to end the year at \$3,748,650. For all Governmental Funds (not including fiduciary), the Fund Balance as of June 30, 2025, rose to \$11,222,930 due to a combined surplus of \$550,368.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements, which are comprised of: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They consist of two statements:

- The *statement of net position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of the changes in the financial position of the District.
- The *statement of activities* presents information reporting on how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows for future periods (e.g., uncollected taxes and changes in long-term compensated absences).

Both government-wide financial statements distinguish functions of the District that are principally supported by tax and intergovernmental revenues. Most of the District's basic services are included here, such as instructional services, support services (operations, maintenance, technology and admin), food services and student activities. The statements also include Pagosa Peak Open School, which is a discretely presented component unit of the District.

Fund Financial Statements

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes or objectives. The fund financial statements provide more detailed information about the operations of the District by fund instead of the District as a whole. All District funds can be divided into two categories: 1) Governmental Funds and 2) Fiduciary Funds.

ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

Governmental funds account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary Funds are not reported in the government-wide financial statements because the resources of these funds are not available for the support of the District's own programs. The District's fiduciary funds include the Mooney and the Archuleta Scholarships in Escrow Private Purpose Trusts, both of which spend only the interest generated during the fiscal year.

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As shown below, Tables 1 and 2 show the factors that contributed to the change in the District's net position.

Table 1
Comparative Summary of Net Position
June 30, 2025 and 2024

	Governmental Activities		
	2025	2024	Change
Assets			
Current Assets	\$ 14,194,346	\$ 13,944,649	\$ 249,697
Non-Current Assets	\$ 17,372,203	\$ 17,934,832	\$ (562,629)
Total Assets	<u>\$ 31,566,549</u>	<u>\$ 31,879,481</u>	<u>\$ (312,932)</u>
Deferred Outflows of Resources	<u>\$ 5,374,503</u>	<u>\$ 8,128,270</u>	<u>\$ (2,753,767)</u>
Liabilities			
Current Liabilities	\$ 2,476,919	\$ 2,786,609	\$ (309,690)
Non-Current Liabilities	\$ 27,864,973	\$ 31,381,882	\$ (3,516,909)
Total Liabilities	<u>\$ 30,341,892</u>	<u>\$ 34,168,491</u>	<u>\$ (3,826,599)</u>
Deferred Inflows of Resources	<u>\$ 2,850,510</u>	<u>\$ 2,271,585</u>	<u>\$ 578,925</u>
Net Position			
Net Capital Assets	\$ 17,372,203	\$ 17,934,832	\$ (562,629)
Restricted	\$ 1,494,713	\$ 1,409,102	\$ 85,611
Unrestricted	\$ (15,118,266)	\$ (15,776,259)	\$ 657,993
Total Net Position	<u>\$ 3,748,650</u>	<u>\$ 3,567,675</u>	<u>\$ 180,975</u>

ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2
 Comparative Summary of Statement of Activities
 June 30, 2025 and 2024

Revenues	Governmental Activities		
	2025	2024	Change
Program Revenues			
Charges for Services	\$ 145,926	\$ 157,431	\$ (11,505)
Operating Grants	\$ 3,688,680	\$ 5,056,825	\$ (1,368,145)
Capital Grants	\$ -	\$ -	\$ -
General Revenues			
Property Taxes	\$ 15,868,987	\$ 15,185,530	\$ 683,457
Specific Ownership Taxes	\$ 1,344,166	\$ 1,191,164	\$ 153,002
Other Taxes	\$ 44,626	\$ 31,132	\$ 13,494
State Equalization	\$ 2,410,117	\$ 2,117,546	\$ 292,571
Investment Income	\$ 378,523	\$ 311,718	\$ 66,805
Other	\$ 59,419	\$ 63,310	\$ (3,891)
Total Revenues	\$ 23,940,444	\$ 24,114,656	\$ (174,212)
Expenses			
Program Expenses			
Instructional	\$ 13,274,590	\$ 13,307,548	\$ (32,958)
Student Supporting	\$ 1,710,828	\$ 1,604,758	\$ 106,070
Staff Supporting	\$ 244,110	\$ 213,721	\$ 30,389
General Admin	\$ 1,006,856	\$ 1,038,225	\$ (31,369)
School Admin	\$ 1,321,150	\$ 1,374,437	\$ (53,287)
Business Services	\$ 492,297	\$ 836,467	\$ (344,170)
Operations & Maintenance	\$ 2,751,536	\$ 2,490,672	\$ 260,864
Student Transportation	\$ 794,251	\$ 921,981	\$ (127,730)
Central Supporting	\$ 1,220,510	\$ 1,413,333	\$ (192,823)
Food Service Operations	\$ 931,965	\$ 970,642	\$ (38,677)
Interest on Long-Term Debt	\$ 11,376	\$ 24,860	\$ (13,484)
Other	\$ -	\$ 26,147	\$ (26,147)
Total Expenses	\$ 23,759,469	\$ 24,222,791	\$ (463,322)
Change in Net Position	\$ 180,975	\$ (108,135)	\$ 289,110
Net Position, Beginning of Year	\$ 3,567,675	\$ 3,675,810	
Net Position, End of Year	\$ 3,748,650	\$ 3,567,675	

ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL ACTIVITIES (including all funds except Fiduciary)

The District's total FY25 revenues were \$24,097,748, a decrease of \$201,289, or 0.8%, compared to FY24. Most of the District's revenues (75.3%) come from local sources, with the majority of this from property taxes. The next largest share of revenue (15.9%) comes from state sources, including state equalization and various state grants, with the remaining share (8.8%) from Federal grants and intermediate sources.

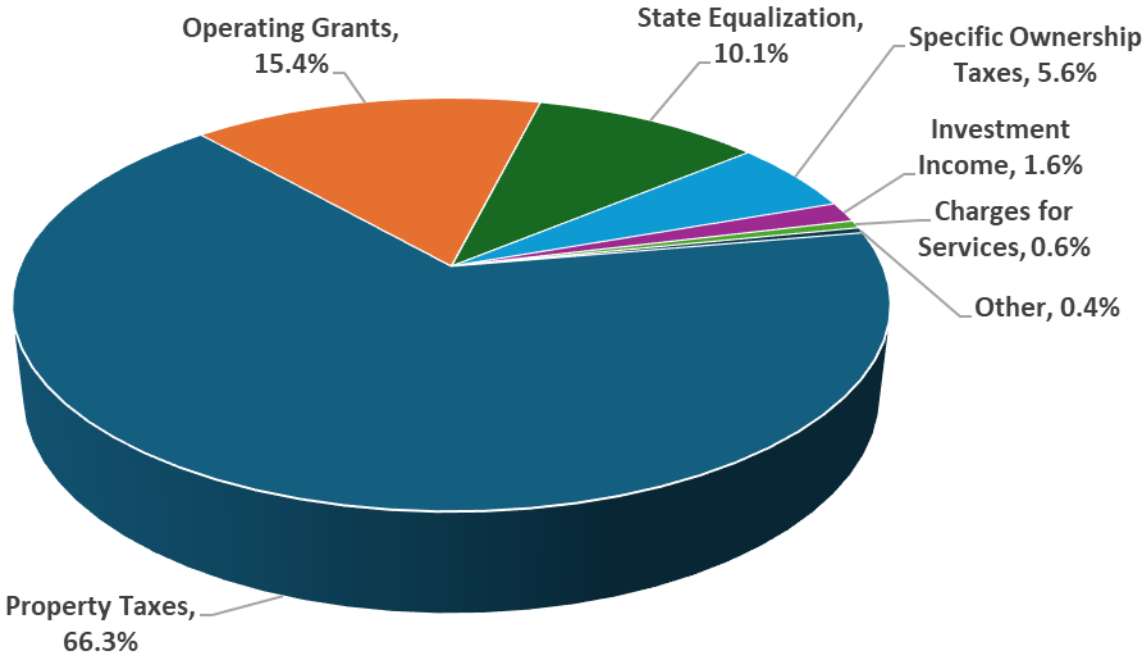
Total expenditures for FY25 were \$23,547,380, a decrease of \$551,079, or 2.3%.

Table 3
Statement of Revenues, Expenditures & Change in Fund Balance
June 30, 2025 and 2024

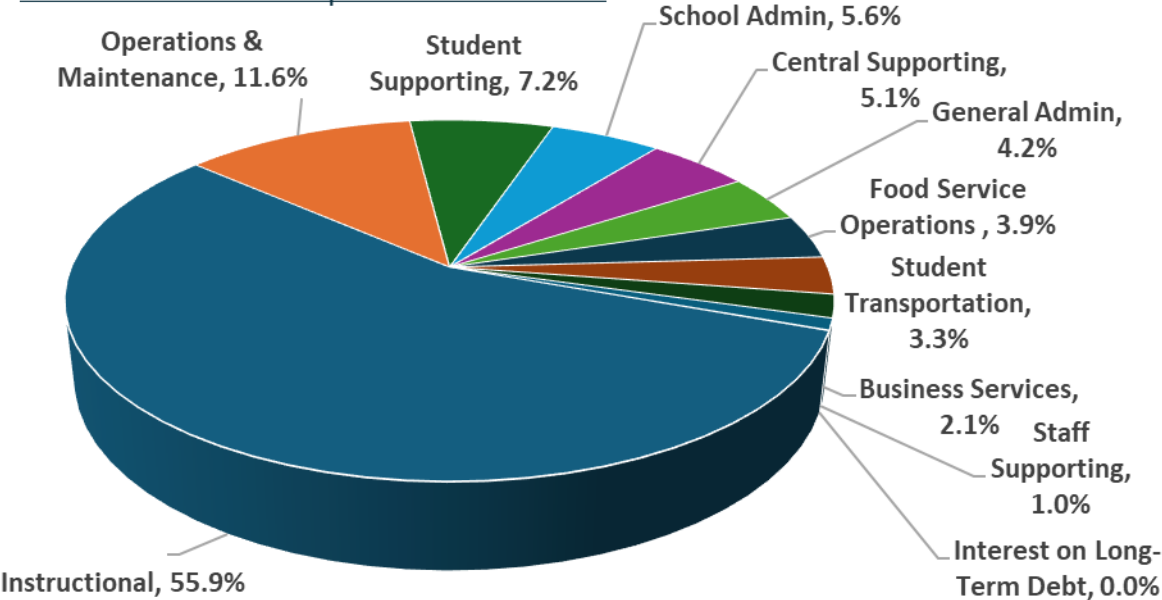
Revenues	All Governmental Funds		
	2025	2024	Change
Local Sources	\$ 18,140,019	\$ 17,603,320	\$ 536,699
Intermediate Sources	\$ 422	\$ 34,622	\$ (34,200)
State Sources	\$ 3,840,421	\$ 3,693,994	\$ 146,427
Federal Sources	\$ 2,116,886	\$ 2,967,101	\$ (850,215)
Total Revenues	\$ 24,097,748	\$ 24,299,037	\$ (201,289)
Expenditures			
Instructional	\$ 13,181,414	\$ 12,803,038	\$ 378,376
Operations	\$ 2,785,139	\$ 2,599,050	\$ 186,089
All Other Uses	\$ 7,580,827	\$ 8,696,371	\$ (1,115,544)
Total Expenditures	\$ 23,547,380	\$ 24,098,459	\$ (551,079)
Net Change in Fund Balance	\$ 550,368	\$ 200,578	\$ 349,790
Fund Balance, Beginning of Year	\$ 10,672,562	\$ 10,471,984	
Fund Balance, End of Year	\$ 11,222,930	\$ 10,672,562	

**ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Government-Wide Revenues FY2025



Government-wide Expenditures FY2025



ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

In the paragraphs below, each of the District's Funds will be examined.

General Fund - The General Fund is the major operating fund of the District, providing most of the resources for the educational and support programs in the schools. Revenues of \$21,547,584 were comprised of approximately 83% local sources such as property and specific ownership taxes, 15% state equalization and grant money, and 2% other sources including intermediate sources and federal grants.

Expenditures were \$20,357,316 and transfers to the Capital Project Fund were \$527,500. Spending was distributed with roughly 77% being spent on salaries and benefits, 12% on services and utilities, and 11% on supplies, equipment, and other expenses. Actual expenditures were below budgeted amounts (excluding contingency reserves) by \$730,520. The fund experienced a surplus in the amount of \$662,768. Reserves in the amount of \$10,483,292 are more than adequate to meet unforeseen district needs, and to support cash flow through the first two-thirds of the year until the vast majority of property taxes are received.

Food Service Fund - With total revenues of \$865,515 and expenses of \$939,642, the Food Service Fund had a deficit of \$74,127 in FY25. The Food Service fund balance as of June 30, 2025, was \$120,780.

Designated Grant Fund – The grant fund recorded revenues and expenditures of \$1,463,817 in FY2025, down from \$2,363,047 in FY24. This decline was expected as Federal COVID-related grants ended in Q1. The District's grants were primarily used for instructional purposes (60%), for Pupil and Instructional Support Services (37%), and for transportation and other supporting purposes (3%).

Bond Redemption Fund – The Bond Redemption Fund is no longer used as the previous Bond Issue was paid off in December 2020.

Capital Reserve Project Fund – The District funds the Capital Reserve Project Fund with a transfer from the General Fund based on the need for repairs to buildings. In FY25, the fund had a transfer from the General Fund of \$527,500, while expenditures totaled \$569,567. On June 30, 2025, the Fund Balance was \$450,229, which will be used going forward to fund FY26 expenses for projects that were not yet completed from prior years' budgets.

Student Activity Fund – The District's Student Activity Fund holds money for all self-supporting club and class activities. Revenues in this fund for FY25 were \$220,832 while expenses were \$217,038. On June 30, 2025, the Student Activity Fund had a Fund Balance of \$168,629.

Fiduciary Funds – Fiduciary funds are funds that are held in trust by the district. These funds were established by private donations and have specific guidelines on how the money generated from the principal is to be spent.

Private Purpose Trust Fund - The district has two trusts in this fund.

- The interest on \$250,000 of the Whit Newton Fund is set-aside for the Archuleta Scholarships in Escrow program.
- Interest on \$50,000 of the Mooney donation is designated to help fund either remedial or accelerated summer school programs.

For the two trust funds, Revenue in FY25 was \$13,934, and Expenditures were \$10,781. The ending fund balance on June 30, 2025, was \$311,964.

ARCHULETA SCHOOL DISTRICT 50 JT.
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY25, the District had invested \$17,372,203 in a broad range of capital assets, including land, equipment, buildings and vehicles. This represents a net decrease of \$562,629, due to the increase in depreciation outpacing the value of assets purchased or retired.

Capital Assets

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Governmental Activities				
Assets not being depreciated	\$ 1,080,048	\$ -	\$ -	\$ 1,080,048
Assets being depreciated	\$ 27,032,024	\$ 220,629	\$ 147,445	\$ 27,105,208
Less Accumulated Depreciation	\$ 10,177,240	\$ 783,258	\$ 147,445	\$ 10,813,053
Total Capital Assets, Net	<u>\$ 17,934,832</u>			<u>\$ 17,372,203</u>

Long-Term Debt

At year-end, the District had long-term debt obligations of \$491,386, an increase of \$72,511.

Long-Term Debt

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Governmental Activities				
Accrued Compensated Absences	\$ 418,875	\$ 72,511	\$ -	\$ 491,386
Total Governmental Activities	<u>\$ 418,875</u>			<u>\$ 491,386</u>

ECONOMIC FACTORS AND FUTURE BUDGETS

Implementation of the new school finance act (HB25-1320) started to roll out in FY26, with full implementation anticipated by FY31. FY26 began with the first 15% of the bill, along with a decrease from 5-year funded pupil count averaging to 4 years. Implementation is scheduled to increase to 30% in FY27, but averaging will drop to 3 years. With the District experiencing declining enrollment trends, this will likely negatively impact our future total annual funding from CDE.

Increases in Archuleta and Hinsdale county property net assessed valuations continue, which affects our local/state ratio of total program funding. In FY22, local taxes represented 54% of the District's funding. For FY26, that has increased to 88%, meaning that the vast majority of our funding will not be received until the final four months of the fiscal year. While at first glance the District's general fund balance may seem oversized, these funds are needed to meet the payroll and expenditure needs of the District until the property tax revenues are received.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's Finance Director at 970-264-2228.

ARCHULETA SCHOOL DISTRICT 50 JT
BASIC FINANCIAL STATEMENTS

ARCHULETA SCHOOL DISTRICT 50 JT

STATEMENT OF NET POSITION

June 30, 2025

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Pagosa Peaks</u>
	<u>Activities</u>	<u>Open School</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 12,279,873	\$ 960,018
Restricted Cash	-	57,194
Accounts Receivable	-	-
Property Tax Receivable	1,241,490	-
Due from Other Governments	384,929	21,539
Prepaid Expenses	255,510	87,132
Inventories	32,544	-
Total Current Assets	<u>14,194,346</u>	<u>1,125,883</u>
Noncurrent Assets		
Capital Assets not being depreciated	1,080,048	987,925
Capital Assets net of depreciation	16,292,155	4,334,604
Total Noncurrent Assets	<u>17,372,203</u>	<u>5,322,529</u>
TOTAL ASSETS	<u>31,566,549</u>	<u>6,448,412</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	5,275,328	526,909
OPEB	99,175	18,604
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,374,503</u>	<u>545,513</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	272,094	21,497
Accrued Salaries and Benefits	2,086,588	-
Unearned Grant Revenue	15,922	488,284
Unearned Revenue	3,045	-
Financed Purchase Agreement	-	-
Note Payable	-	62,947
Compensated Absences	99,270	-
Total Current Liabilities	<u>2,476,919</u>	<u>572,728</u>

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

ARCHULETA SCHOOL DISTRICT 50 JT

STATEMENT OF NET POSITION

June 30, 2025

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Pagosa Peaks</u>
	<u>Activities</u>	<u>Open School</u>
Noncurrent Liabilities		
Financed Purchase Agreement	-	-
Note Payable	-	2,661,761
Compensated Absences	392,116	-
Pension Liability	26,993,909	1,967,346
OPEB Liability	478,948	34,906
Total Noncurrent Liabilities	<u>27,864,973</u>	<u>4,664,013</u>
 TOTAL LIABILITIES	 <u>30,341,892</u>	 <u>5,236,741</u>
 DEFERRED INFLOWS OF RESOURCES		
Pension	1,935,131	391,725
OPEB	321,612	30,453
Unavailable Revenue - Property Tax	593,767	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,850,510</u>	<u>422,178</u>
 NET POSITION		
Net Investment in Capital Assets	17,372,203	2,597,821
Restricted for		
Debt Service	-	-
TABOR	651,000	60,000
Mill Levy Override	843,713	-
Unrestricted	<u>(15,118,266)</u>	<u>(1,322,815)</u>
 TOTAL NET POSITION	 <u>\$ 3,748,650</u>	 <u>\$ 1,335,006</u>

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

ARCHULETA SCHOOL DISTRICT 50 JT

STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Governmental Activities	Component Unit Pagosa Peaks Open School
Primary Government						
Governmental Activities						
Instructional Program	\$ 13,274,590	\$ 68,238	\$ 1,490,958	\$ -	\$ (11,715,394)	
Student Supporting Services	1,710,828	55,710	1,109,226	-	(545,892)	
Instructional Staff Supporting Services	244,110	-	-	-	(244,110)	
General Administration Supporting Services	1,006,856	-	48,764	-	(958,092)	
School Administration Supporting Services	1,321,150	-	-	-	(1,321,150)	
Business Supporting Services	492,297	-	-	-	(492,297)	
Operations and Maintenance of Plant Services	2,751,536	-	-	-	(2,751,536)	
Student Transportation Services	794,251	-	204,535	-	(589,716)	
Central Supporting Services	1,220,510	-	-	-	(1,220,510)	
Other Support Services	-	-	-	-	-	
Community Services	-	-	-	-	-	
Other Uses	-	-	-	-	-	
Food Services	931,965	21,978	835,197	-	(74,790)	
Facilities Acquisition and Construction Services	-	-	-	-	-	
Interest on Long-term Debt	11,376	-	-	-	(11,376)	
Total Primary Government	\$ 23,759,469	\$ 145,926	\$ 3,688,680	\$ -	(19,924,863)	
Component Unit - Pagosa Peaks Open School	\$ 1,897,651	\$ 122,713	\$ 621,823	\$ -		\$ (1,153,115)
General Revenues						
Taxes						
					15,868,987	118,171
					1,344,166	-
					44,626	-
					2,410,117	1,293,461
					378,523	-
					59,419	28,325
					<u>20,105,838</u>	<u>1,439,957</u>
					180,975	286,842
					<u>3,567,675</u>	<u>1,048,164</u>
					<u>\$ 3,748,650</u>	<u>\$ 1,335,006</u>

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

ARCHULETA SCHOOL DISTRICT 50 JT

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2025

	<u>GENERAL FUND</u>	<u>DESIGNATED GRANTS FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 11,578,134	\$ (1,228)	\$ 702,967	\$ 12,279,873
Accounts Receivable	-	-	-	-
Property Tax Receivable	1,241,490	-	-	1,241,490
Due from Other Governments	110,417	183,174	91,338	384,929
Due from Other Funds	-	-	-	-
Prepaid Expenditures	250,814	4,696	-	255,510
Inventory	-	-	32,544	32,544
TOTAL ASSETS	<u><u>\$ 13,180,855</u></u>	<u><u>\$ 186,642</u></u>	<u><u>\$ 826,849</u></u>	<u><u>\$ 14,194,346</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 203,467	\$ 24,191	\$ 44,436	\$ 272,094
Due to Other Funds	-	-	-	-
Unearned Grant Revenue	-	15,922	-	15,922
Unearned Revenue	-	-	3,045	3,045
Accrued Salaries and Benefits	1,900,329	146,529	39,730	2,086,588
TOTAL LIABILITIES	<u>2,103,796</u>	<u>186,642</u>	<u>87,211</u>	<u>2,377,649</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	<u>593,767</u>	<u>-</u>	<u>-</u>	<u>593,767</u>
FUND BALANCE				
Nonspendable	250,814	-	32,544	283,358
Restricted	1,494,713	-	-	1,494,713
Committed	694,940	-	707,094	1,402,034
Assigned	-	-	-	-
Unassigned	<u>8,042,825</u>	<u>-</u>	<u>-</u>	<u>8,042,825</u>
TOTAL FUND BALANCE	<u>10,483,292</u>	<u>-</u>	<u>739,638</u>	<u>11,222,930</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 13,180,855</u></u>	<u><u>\$ 186,642</u></u>	<u><u>\$ 826,849</u></u>	<u><u>\$ 14,194,346</u></u>

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

ARCHULETA SCHOOL DISTRICT 50 JT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total governmental fund balances		\$ 11,222,930
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,372,203
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		5,374,503
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	<u>\$ (491,386)</u>	(491,386)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(27,472,857)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		<u>(2,256,743)</u>
Net position of governmental activities		<u><u>\$ 3,748,650</u></u>

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

ARCHULETA SCHOOL DISTRICT 50 JT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
For the Year Ended June 30, 2025

	GENERAL FUND	DESIGNATED GRANTS FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local Sources	\$ 17,873,400	\$ 15,469	\$ 251,150	\$ 18,140,019
Intermediate Sources	422	-	-	422
State Sources	3,237,900	508,122	94,399	3,840,421
Federal Sources	435,862	940,226	740,798	2,116,886
TOTAL REVENUES	21,547,584	1,463,817	1,086,347	24,097,748
EXPENDITURES				
Instructional Program	12,190,058	774,318	217,038	13,181,414
Student Supporting Services	793,279	545,772	-	1,339,051
Instructional Staff Supporting Services	140,249	105,957	-	246,206
General Administration Supporting Services	1,024,911	-	-	1,024,911
School Administration Supporting Services	1,342,086	-	-	1,342,086
Business Supporting Services	459,326	37,770	-	497,096
Operations and Maintenance of Plant Services	2,215,572	-	569,567	2,785,139
Student Transportation Services	956,240	-	-	956,240
Central Supporting Services	1,224,219	-	-	1,224,219
Other Support Services	-	-	-	-
Community Services	-	-	-	-
Other Uses	-	-	-	-
Food Services	-	-	939,642	939,642
Facilities Acquisition and Construction Services	-	-	-	-
Debt Service	11,376	-	-	11,376
TOTAL EXPENDITURES	20,357,316	1,463,817	1,726,247	23,547,380
Excess (Deficiency) of Revenues Over Expenditures	1,190,268	-	(639,900)	550,368
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	527,500	527,500
Transfers to Other Funds	(527,500)	-	-	(527,500)
TOTAL OTHER FINANCING SOURCES (USES)	(527,500)	-	527,500	-
Net Change in Fund Balance	662,768	-	(112,400)	550,368
Fund Balance, Beginning of Year	9,820,524	-	852,038	10,672,562
Fund Balance, End of Year	\$ 10,483,292	\$ -	\$ 739,638	\$ 11,222,930

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

ARCHULETA SCHOOL DISTRICT 50 JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 550,368

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation in the current period.

Fixed asset additions	\$ 220,629	
Fixed asset deletions, net of accumulated depreciation	-	
Depreciation expense	<u>(783,258)</u>	
		(562,629)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Principal payment on financed purchase agreement		-
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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 the governmental funds.

Compensated Absences		(72,511)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These items consist of the change in pension and OPEB expense.

		<u>265,747</u>
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Change in net position of governmental activities \$ 180,975

ARCHULETA SCHOOL DISTRICT 50 JT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	<u>A.S.E - MOONEY PRIVATE-PURPOSE TRUST FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 311,964
Accounts Receivable	-
	-
TOTAL ASSETS	311,964
 LIABILITIES	
Accounts Payable	-
	-
TOTAL LIABILITIES	-
 NET POSITION	
Restricted for:	
Scholarships	311,964
	311,964
TOTAL NET POSITION	\$ 311,964

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

ARCHULETA SCHOOL DISTRICT 50 JT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	<u>A.S.E - MOONEY PRIVATE-PURPOSE TRUST FUND</u>
ADDITIONS	
Interest Income	\$ 13,934
TOTAL ADDITIONS	<u>13,934</u>
DEDUCTIONS	
Scholarships	<u>10,781</u>
TOTAL DEDUCTIONS	<u>10,781</u>
Excess of Additions over Deductions	3,153
NONOPERATING ADDITIONS (DEDUCTIONS)	
Transfers to Other Funds	<u>-</u>
Change in Net Position	3,153
Net Position, Beginning of Year	<u>308,811</u>
Net Position, End of Year	<u><u>\$ 311,964</u></u>

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

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The District's significant accounting policies are described below.

REPORTING ENTITY

Primary Government

Archuleta School District 50 JT is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District to represent one of the five districts and must reside in the district for which he or she is elected. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the school district. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

Component Units

The District has an approved charter with the Pagosa Peak Open School, (the "School") as authorized under Section 22-30.5-102(2) of the Colorado Revised Statutes to provide education to students in grades K-12 who reside within the jurisdictional boundaries of the District and qualified students from outside the District's jurisdictional boundaries. The members of the School's governing board are elected by the District's board. The School is fiscally dependent upon the District because the School does not have the authority to determine its budget without the District's approval. The School does not provide services entirely or almost entirely to the District. The School's financial information is discretely presented in the District's financial statements. Additional information can be obtained by writing to Pagosa Peak Open School, Business Manager, 3133 Cornerstone Drive, Pagosa Springs CO 81147.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the governmental activities and the discretely presented component unit of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

financial statements is on major governmental funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

General Fund

This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue (Designated Grants) Fund

This fund is used to record financial transactions for grants received for designated programs funded by federal, state, or local governments.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The fiduciary fund financial statements consist of private-purpose trust funds that are fiduciary in nature and present changes in fiduciary net position. Fiduciary funds are accounted for using the economic resources measurement and accrual basis of accounting. These funds are used to account for assets that the District holds for others in a fiduciary capacity.

The District reports the following private-purpose trust funds:

- ***A.S.E. – Mooney Private-Purpose Fund:*** This fund is used to account for assets held by the District in a trustee capacity for individuals, private and student groups. This fund generally accounts for significant donations that are set aside for student benefit.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools 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. All budgets lapse at year end.
- Public hearings are conducted by the 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.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.
- Encumbrance accounting is not utilized.

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

Cash and Investments – The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized. Investments are stated at fair value.

Cash and Cash Equivalents – The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Inventories – Inventory is valued at the lower of cost (first-in, first-out) or market. The federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as revenues when expended.

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	40-75 years
Vehicles	7-15 years
Other Equipment	7 years

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

Accrued Compensated Absences – Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2025, the District has recorded accrued leave as disclosed in Note 7.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Long-Term Debt – Principal repayments are shown as expenditures in the fund level financial statements. The District’s financed purchase agreements are paid through the General Fund and are shown as expenditures in that fund. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows related to pension and OPEB liabilities as further described in Notes 10 and 11.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports several items, one of which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. The deferred gain on the bond refunding is being amortized over the life of the bonds using the effective interest rate method as principal is repaid. In addition, the District reports deferred inflows related to pension and OPEB liabilities as further described in Notes 10 and 11.

Net Position/Fund Balance

In the government-wide financial statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Designated Grants Fund	Student Activity Fund	Food Service Fund	Capital Reserve Projects Fund	Total Governmental Funds
Nonspendable:						
Prepaid	\$ 250,814	\$ -	\$ -	\$ -	\$ -	\$ 250,814
Inventory	-	-	-	32,544	-	32,544
	<u>250,814</u>	<u>-</u>	<u>-</u>	<u>32,544</u>	<u>-</u>	<u>283,358</u>
Restricted:						
TABOR 3% Reserve	651,000	-	-	-	-	651,000
Mill Levy Override	843,713	-	-	-	-	843,713
Debt Service	-	-	-	-	-	-
	<u>1,494,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,494,713</u>
Committed:						
Mult-year Contract	576,228	-	-	-	-	576,228
Student Activities	-	-	168,629	-	-	168,629
Food Service	-	-	-	88,236	-	88,236
Capital Projects	118,712	-	-	-	450,229	568,941
	<u>694,940</u>	<u>-</u>	<u>168,629</u>	<u>88,236</u>	<u>450,229</u>	<u>1,402,034</u>
Assigned:						
Designated for Subsequent Years	-	-	-	-	-	-
Unassigned	<u>8,042,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,042,825</u>
Total Fund Balances	<u><u>\$ 10,483,292</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 168,629</u></u>	<u><u>\$ 120,780</u></u>	<u><u>\$ 450,229</u></u>	<u><u>\$ 11,222,930</u></u>

Net Position/Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues that are directly attributable to a program are shown as program revenues for the statement of activities.

These revenues consist of, but are not limited to grants, fees and other charges for services. Expenditures, where eligible, are first charged to restricted net position prior to being charged against unrestricted net position.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on October 1. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, uncollected property taxes levied in the current fiscal year for collection in the subsequent fiscal year are identified as property taxes receivable at June 30, and are presented net of an estimated allowance for uncollectible taxes.

Pensions

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

Other Postemployment Benefits (OPEB)

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

Encumbrances

Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassification

Certain amounts in fiscal year 2024 have been reclassified to conform to the fiscal year 2025 financial statement presentation.

New Accounting Pronouncements

During fiscal year 2025, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, that aligns the recognition and measurement guidance for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain previously required disclosures. There is no effect on beginning net position as a result of the implementation of this standard.

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NOTE 2: CASH AND INVESTMENTS

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

Cash & Cash Equivalents	\$	235,973
ColoTrust Plus		12,355,864
Less Fiduciary Funds		(311,964)
Total Cash & Investments	<u>\$</u>	<u>12,279,873</u>

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with C.R.S. 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2025, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 261,420	\$ 112,997
PDPA Collateralized	302,611	-
Total Cash Balances	<u>\$ 564,031</u>	<u>\$ 112,997</u>

Investments

Colorado statutes specify which instrument units of local government may invest, which include:

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

The District’s investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active

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market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

The Colorado Government Liquid Asset Trust (COLOTRUST) Plus is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates in a manner similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAM by Standard and Poor’s.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2025, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2025 of \$32,544, consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended June 30, 2025, were as follows:

Transfer In	Transfer Out	Amount
Capital Reserve Project Fund	General Fund	\$ 527,500
		\$ 527,500

Transfers from the General Fund were made to supplement the Capital Reserve Capital Project Fund.

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NOTE 5: CAPITAL ASSETS

Activity for governmental activity capital assets which are capitalized by the District is summarized below:

	Balance 6/30/2024	Additions	Retirements	Balance 6/30/2025
Governmental Activities				
Assets not being depreciated				
Land	\$ 1,080,048	\$ -	\$ -	\$ 1,080,048
Construction in Progress	-	-	-	-
Total assets not being depreciated	<u>1,080,048</u>	<u>-</u>	<u>-</u>	<u>1,080,048</u>
Assets being depreciated				
Buildings & Site Improvements	21,563,065	-	-	21,563,065
Equipment	2,970,243	71,089	8,000	3,033,332
Vehicles	2,498,716	149,540	139,445	2,508,811
Total assets being depreciated	<u>27,032,024</u>	<u>220,629</u>	<u>147,445</u>	<u>27,105,208</u>
Less: Accumulated depreciation				
Buildings & Site Improvements	7,627,177	394,360	-	8,021,537
Equipment	1,283,579	250,739	8,000	1,526,318
Vehicles	1,266,484	138,159	139,445	1,265,198
Total accumulated depreciation	<u>10,177,240</u>	<u>783,258</u>	<u>147,445</u>	<u>10,813,053</u>
Total Capital Assets, Net	<u>\$ 17,934,832</u>	<u>\$ (562,629)</u>	<u>\$ -</u>	<u>\$ 17,372,203</u>

Depreciation expense was charged to the following functions:

Instruction	\$ 394,360
Supporting Services	<u>388,898</u>
Total Depreciation	<u>\$ 783,258</u>

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, are as follows:

General Fund	\$ 1,900,329
Food Service Fund	39,730
Designated Grants Fund	<u>146,529</u>
Total Accrued Salaries & Benefits	<u>\$ 2,086,588</u>

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NOTE 7: LONG-TERM DEBT

Changes in the District’s long-term debt for the year ended June 30, 2025, were as follows:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025	Due Within One Year
<i>Governmental Activities</i>					
Accrued Compensated Absences	\$ 418,875	\$ 72,511	\$ -	\$ 491,386	\$ 99,270
<i>Total Governmental Activities</i>	<u>\$ 418,875</u>	<u>\$ 72,511</u>	<u>\$ -</u>	<u>\$ 491,386</u>	<u>\$ 99,270</u>

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

Accrued Compensated Absences

The District allows eligible employees to carryover used vacation of up to 20 days. Sick leave and personal leave will be paid out annually, subsequent to the end of the year, for accruals in excess of 60 days at either the current substitute teacher rate or a percentage thereof, depending upon the employee type. Any remaining sick and vacation leave accruals will be paid upon termination at the above listed rates. The District has accrued all potential payments as noncurrent liabilities in the governmental activities. In addition, the District has included the current portion of the accrued compensated absences as part of the accrued salaries and benefits reported in the funds. Payments for unused leave are typically funded through the General Fund.

NOTE 8: JOINTLY GOVERNED ORGANIZATION

The District participates in the following entities. These joint ventures and related parties do not meet the criteria for inclusion within the reporting entity because the following entities:

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,
- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The District is a participant among five Districts in a jointly governed organization to operate the San Juan Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2025, the District paid \$220,720 in assessments to the BOCES. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 701 Camino Del Rio Suite 221, Durango, CO 81301.

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NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by Colorado School District's Self Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Colorado School Districts Self Insurance Pool

For liability and property claims, the District is involved with the Colorado School Districts Self Insurance Pool, a separate and independent governmental and legal entity formed by intergovernmental agreement by member districts.

The purposes of the Pool are to provide members defined liability, property, and workers compensation coverage and to assist members to prevent and reduce losses and injuries to property and to persons or property which might result in claims being made against members of the Pool, their employees and officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.

The Pool is a separate legal entity and the District does not approve budgets nor does it have ability to significantly affect the operations of the Pool. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

Health and Dental Insurance

The District partially self-insured its health insurance claims until December of 2012 when its switched to a commercial carrier.

Other Insurance

The District carries commercial insurance for other risks of loss, including workers compensation.

NOTE 10: DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,473,677, for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

At June 30, 2025, the District reported a liability of \$26,993,909 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Archuleta School District's proportionate share of the net pension liability	\$ 26,993,909
The State's proportionate share of the net pension liability as a nonemployer contribution entity association with the Archuleta School District	2,424,482
Total	\$ 29,418,391

At December 31, 2024, the District's proportion was 0.156%, which was a decrease of 0.015% from its proportion measured as of December 31, 2023.

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For the year ended June 30, 2025, the District recognized pension expense of (\$113,554) and revenue of \$221,283 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,528,624	\$ -
Net difference between projected and actual earnings on pension plan investments	509,300	-
Changes of assumptions or other inputs	202,376	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,776,644	1,935,131
Contributions subsequent to the measurement date	<u>1,258,383</u>	<u>-</u>
Total	<u>\$ 5,275,327</u>	<u>\$ 1,935,131</u>

\$1,258,383 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ 1,795,128
2027	1,678,956
2028	(1,029,038)
2029	(363,232)
2030	-
Thereafter	-

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

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

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer

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contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 36,597,484	\$ 26,993,909	\$ 18,949,572

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

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure 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 is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$123,805 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$478,948 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL)

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June 30, 2025

used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.1002%, which was a decrease of 0.002% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025 the District recognized OPEB expense of (\$152,192). At June 30, 2025, District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 105,646
Net difference between projected and actual earnings on OPEB plan investments	1,624	-
Changes of assumptions or other inputs	5,492	153,096
Changes in proportion and differences between contributions recognized and proportionate share of contributions	29,079	62,870
Contributions subsequent to the measurement date	62,981	-
Total	\$ 99,176	\$ 321,612

\$62,981 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	\$ (78,226)
2027	(44,591)
2028	(66,771)
2029	(47,785)
2030	(32,665)
Thereafter	(15,380)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%

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June 30, 2025

Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

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

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

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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

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

The 2024 Medicare Part A premium is \$505 (actual dollars) per month.

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

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

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

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

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

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

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

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

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

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

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- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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

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

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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Pre-Retirement	Mortality Rate	Adjustments, as Applicable
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Rate	Adjustments, as Applicable
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Mortality Rate	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Rate	Adjustments, as Applicable
Members other than Safety Officers	Pub-2010 Disabled Retiree	95% of the rates for all ages

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

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

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

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

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

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

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	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 Medicare 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	\$ 466,044	\$ 478,948	\$ 493,552

¹For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection year, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination 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.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 586,959	\$ 478,948	\$ 385,831

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

NOTE 12: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended June 30, 2025, program members contributed \$71,764 for the Voluntary Investment Program.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Claims and Judgments – The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. 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. As of June 30, 2025, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

NOTE 14: TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. In November 1997, voters approved a ballot measure authorizing the District to collect, retain and expand all revenues in 1998 and subsequent years, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 15: DEFICIT UNRESTRICTED NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$15,118,266 primarily due to the PERA net pension liability of \$26,993,909 and OPEB liability of \$478,948, and related deferrals, as further described in Notes 10 and 11. As the District has no control over pension or OPEB benefits or contribution rates, the District expects this deficit in unrestricted net position to continue for the foreseeable future.

ARCHULETA SCHOOL DISTRICT 50 JT

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and each of the District's major special revenue funds. In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liability are required to supplement the basic financial statements.

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 19,671,456	\$ 17,924,291	\$ 17,873,400	\$ (50,891)
Intermediate Sources	34,622	34,622	422	(34,200)
State Sources	2,813,035	4,648,322	3,237,900	(1,410,422)
Federal Sources	463,312	463,312	435,862	(27,450)
TOTAL REVENUES	22,982,425	23,070,547	21,547,584	(1,522,963)
EXPENDITURES				
Instructional Program	12,117,583	12,298,153	12,190,058	108,095
Student Supporting Services	648,207	770,109	793,279	(23,170)
Instructional Staff Supporting Services	137,799	144,561	140,249	4,312
General Administration Supporting Services	1,034,949	1,154,349	1,024,911	129,438
School Administration Supporting Services	1,351,869	1,352,869	1,342,086	10,783
Business Supporting Services	506,322	506,322	459,326	46,996
Operations and Maintenance of Plant Services	2,315,226	2,314,427	2,215,572	98,855
Student Transportation Services	1,249,085	1,249,884	956,240	293,644
Central Support Services	1,262,268	1,289,512	1,224,219	65,293
Other Uses	-	-	-	-
Food Services	-	-	-	-
Facilities Acquisition and Construction Services	-	-	-	-
Debt Service	7,650	7,650	11,376	(3,726)
Operating Reserves	9,859,198	9,982,274	-	9,982,274
TOTAL EXPENDITURES	30,490,156	31,070,110	20,357,316	10,712,794
Excess (Deficiency) of Revenues Over Expenditures	(7,507,731)	(7,999,563)	1,190,268	9,189,831
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	(1,763,879)	(1,820,961)	(527,500)	1,293,461
TOTAL OTHER FINANCING SOURCES (USES)	(1,763,879)	(1,820,961)	(527,500)	1,293,461
Net Change in Fund Balance	(9,271,610)	(9,820,524)	662,768	10,483,292
Fund Balance, Beginning of Year	9,271,610	9,820,524	9,820,524	-
Fund Balance, End of Year	\$ -	\$ -	\$ 10,483,292	\$ 10,483,292

Notes To Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DESIGNATED GRANTS FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 14,850	\$ 27,258	\$ 15,469	\$ (11,789)
Intermediate Sources	-	-	-	-
State Sources	491,095	560,421	508,122	(52,299)
Federal Sources	865,423	921,374	940,226	18,852
TOTAL REVENUES	1,371,368	1,509,053	1,463,817	(45,236)
EXPENDITURES				
Instructional Program	1,371,368	1,509,053	774,318	734,735
Student Supporting Services	-	-	545,772	(545,772)
Instructional Staff Supporting Services	-	-	105,957	(105,957)
General Administration Supporting Services	-	-	-	-
School Administration Supporting Services	-	-	-	-
Business Supporting Services	-	-	37,770	(37,770)
Operations and Maintenance of Plant Services	-	-	-	-
Student Transportation Services	-	-	-	-
Central Support Services	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Facilities Acquisition and Construction Services	-	-	-	-
TOTAL EXPENDITURES	1,371,368	1,509,053	1,463,817	45,236
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

Notes To Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.1564420%	0.1710541%	0.1419304%	0.1627810%	0.1766496%	0.1603214%	0.1396976%	0.1582600%	0.1547239%	0.1516416%
District's proportionate share of the net pension liability (asset)	\$26,993,909	\$30,248,224	\$25,844,770	\$18,943,421	\$26,705,856	\$23,951,667	\$24,736,330	\$51,175,581	\$46,067,289	\$23,192,506
State's proportionate share of the net pension liability (asset) associated with the District	2,424,482	663,254	7,531,426	2,171,621	-	3,037,964	2,591,791	-	-	-
Total	<u>\$29,418,391</u>	<u>\$30,911,478</u>	<u>\$33,376,196</u>	<u>\$21,115,042</u>	<u>\$26,705,856</u>	<u>\$26,989,631</u>	<u>\$27,328,121</u>	<u>\$51,175,581</u>	<u>\$46,067,289</u>	<u>\$23,192,506</u>
District's covered payroll	\$12,088,698	\$11,449,694	\$10,949,063	\$10,173,301	\$ 9,449,893	\$ 9,134,347	\$ 7,679,927	\$ 7,300,336	\$ 6,944,286	\$ 6,608,505
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223%	264%	236%	186%	283%	262%	322%	701%	663%	351%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,473,677	\$ 2,416,504	\$ 2,287,984	\$ 2,125,247	\$ 1,899,142	\$ 1,847,945	\$ 1,625,856	\$ 1,360,053	\$ 1,258,999	\$ 1,145,254
Contributions in relation to the contractually required contribution	<u>(2,473,677)</u>	<u>(2,416,504)</u>	<u>(2,287,984)</u>	<u>(2,125,247)</u>	<u>(1,899,142)</u>	<u>(1,847,945)</u>	<u>(1,625,856)</u>	<u>(1,360,053)</u>	<u>(1,258,999)</u>	<u>(1,145,254)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	12,137,761	11,857,221	11,226,617	10,690,373	9,553,025	9,535,317	8,498,983	7,300,336	6,944,286	6,608,505
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.63%	18.13%	17.33%

See Notes to the Required Supplementary Information

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.1001634%	0.1023128%	0.1078818%	0.1062837%	0.1021891%	0.1047806%	0.0908040%	0.0899230%	0.0879470%
District's proportionate share of the net OPEB liability (asset)	\$ 478,948	\$ 730,233	\$ 880,832	\$ 916,490	\$ 971,026	\$ 1,177,732	\$ 1,235,429	\$ 1,168,634	\$ 1,140,261
District's covered payroll	\$ 12,088,698	\$ 11,449,694	\$ 10,949,063	\$ 10,173,301	\$ 9,449,893	\$ 9,134,347	\$ 7,679,927	\$ 7,300,336	\$ 6,944,286
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	4%	6%	8%	9%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	20.00%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF DISTRICT CONTRIBUTIONS
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 123,805	\$ 120,944	\$ 114,511	\$ 109,042	\$ 97,441	\$ 97,260	\$ 86,690	\$ 74,463	\$ 70,832
Contributions in relation to the contractually required contribution	<u>(123,805)</u>	<u>(120,944)</u>	<u>(114,511)</u>	<u>(109,042)</u>	<u>(97,441)</u>	<u>(97,260)</u>	<u>(86,690)</u>	<u>(74,463)</u>	<u>(70,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,137,761	\$ 11,857,221	\$ 11,226,617	\$ 10,690,373	\$ 9,553,025	\$ 9,535,317	\$ 8,498,983	\$ 7,300,294	\$ 6,944,286
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

NOTE 1 PENSION PLAN - COLORADO PERA SCHDTF

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

- There were no changes made to the plan provisions.

2023

- 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.

2022

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000 direct distribution, a warrant to PERA in the amount of \$380,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000 to \$35,000. The July 1, 2024, direct distribution will not be reduced from \$225,000 due to a negative investment return in 2022.

2021

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

2019

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- Employer contribution rates increase by 0.50%.
- AI cap is lowered from 1.50% per year to 1.25% per year.

2018

- The following changes were made to the plan provisions as part of SB 18-200:
 - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
 - Employer contribution rates increase by 0.25% effective July 1, 2019
 - An annual direct distribution of \$225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
 - AI cap is lowered from 2.00% per year to 1.50% per year.
 - Initial AI waiting period is extended from one year after retirement to three years after retirement.
 - AI payments are suspended for 2018 and 2019.
 - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years.

2017 – no changes

2016 – no changes

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- 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%.

2023 – no changes

2022– no changes

2021

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018

- The single equivalent interest rate (SEIR) was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017

- The SEIR for the School Division was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

2016

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

Subsequent Events

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

NOTE 2 OTHER POST-EMPLOYMENT BENEFIT PLAN - COLORADO PERA HCTF

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

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

2023

- 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 \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

were \$1,033 and \$24,967, respectively.

2022

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 – no changes

2020 – no changes

2019 – no changes

2018 – no changes

2017

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063 and \$96, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- 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.

2023 – no changes

2022

- The timing of the retirement decrement was adjusted to middle-of-year.

ARCHULETA SCHOOL DISTRICT 50 JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

2021 – no changes

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 – no changes

2018 – no changes

2017 – no changes

ARCHULETA SCHOOL DISTRICT 50 JT

SUPPLEMENTARY INFORMATION

The combining financial schedules represent the second level of financial reporting for the District. These schedules present more detailed information for the individual funds in a format that segregates information by fund type.

ARCHULETA SCHOOL DISTRICT 50 JT
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Student Activity Fund – Used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenues from pupils, gate receipts, and other fundraising activities.

Food Service Fund - Used to account for the District's food service program. Revenues are derived from District contributions and student and adult charges.

CAPITAL PROJECTS FUND

Capital Reserve Project Fund - Capital Reserve Project Fund - Used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

ARCHULETA SCHOOL DISTRICT 50 JT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE - BALANCE SHEET
June 30, 2025

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL</u>	<u>TOTAL</u>
	<u>STUDENT</u>	<u>FOOD SERVICE</u>	<u>RESERVE</u>	
	<u>ACTIVITY FUND</u>	<u>FUND</u>	<u>PROJECT</u>	<u>FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 177,829	\$ 40,461	\$ 484,677	\$ 702,967
Due From Other Governments	-	91,338	-	91,338
Inventory	-	32,544	-	32,544
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	<u>\$ 177,829</u>	<u>\$ 164,343</u>	<u>\$ 484,677</u>	<u>\$ 826,849</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ 9,200	\$ 788	\$ 34,448	\$ 44,436
Due to Other Funds	-	-	-	-
Accrued Salaries and Benefits	-	39,730	-	39,730
Unearned Revenue	-	3,045	-	3,045
TOTAL LIABILITIES	<u>9,200</u>	<u>43,563</u>	<u>34,448</u>	<u>87,211</u>
FUND BALANCE				
Nonspendable	-	32,544	-	32,544
Restricted	-	-	-	-
Committed	168,629	88,236	450,229	707,094
TOTAL FUND BALANCE	<u>168,629</u>	<u>120,780</u>	<u>450,229</u>	<u>739,638</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 177,829</u>	<u>\$ 164,343</u>	<u>\$ 484,677</u>	<u>\$ 826,849</u>

ARCHULETA SCHOOL DISTRICT 50 JT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2025

	SPECIAL REVENUE FUNDS		CAPITAL RESERVE PROJECT FUND	TOTAL NONMAJOR FUNDS
	STUDENT ACTIVITY FUND	FOOD SERVICE FUND		
REVENUES				
Local Sources	\$ 220,832	\$ 30,318	\$ -	\$ 251,150
State Sources	-	94,399	-	94,399
Federal Sources	-	740,798	-	740,798
TOTAL REVENUES	220,832	865,515	-	1,086,347
EXPENDITURES				
Instructional Program	217,038	-	-	217,038
Instructional Staff Supporting Services	-	-	-	-
General Administration Supporting Services	-	-	-	-
Operations and Maintenance of Plant Services	-	-	569,567	569,567
Food Services	-	939,642	-	939,642
Facilities Acquisition and Construction Services	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	217,038	939,642	569,567	1,726,247
Excess (Deficiency) of Revenues Over Expenditures	3,794	(74,127)	(569,567)	(639,900)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	527,500	527,500
Transfers to Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	527,500	527,500
Net Change in Fund Balance	3,794	(74,127)	(42,067)	(112,400)
Fund Balance, Beginning of Year	164,835	194,907	492,296	852,038
Fund Balance, End of Year	\$ 168,629	\$ 120,780	\$ 450,229	\$ 739,638

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STUDENT ACTIVITY FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 200,000	\$ 200,000	\$ 220,832	\$ 20,832
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>220,832</u>	<u>20,832</u>
EXPENDITURES				
Instructional Program	200,000	200,000	217,038	(17,038)
Instructional Staff Supporting Services	-	-	-	-
General Administration Supporting Services	-	-	-	-
Operating Reserves	147,223	164,835	-	164,835
TOTAL EXPENDITURES	<u>347,223</u>	<u>364,835</u>	<u>217,038</u>	<u>147,797</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(147,223)</u>	<u>(164,835)</u>	<u>3,794</u>	<u>168,629</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(147,223)	(164,835)	3,794	168,629
Fund Balance, Beginning of Year	<u>147,223</u>	<u>164,835</u>	<u>164,835</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 168,629</u></u>	<u><u>\$ 168,629</u></u>

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2025

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Local Sources	\$ 24,300	\$ 24,300	\$ 30,318	\$ 6,018
State Sources	236,422	236,422	94,399	(142,023)
Federal Sources	533,861	533,861	740,798	206,937
TOTAL REVENUES	<u>794,583</u>	<u>794,583</u>	<u>865,515</u>	<u>70,932</u>
EXPENDITURES				
Supporting Services				
Food Services				
Salaries	397,830	397,830	360,544	37,286
Fringe Benefits	133,479	133,479	129,016	4,463
Purchased Professional Services	2,550	2,550	1,449	1,101
Purchased Property Services	17,000	17,000	140	16,860
Other Purchased Services	-	-	-	-
Equipment	-	-	-	-
Food and Commodities	405,311	405,311	448,313	(43,002)
Other Supplies	190	190	180	10
Operating Reserves	89,301	33,130	-	33,130
TOTAL EXPENDITURES	<u>1,045,661</u>	<u>989,490</u>	<u>939,642</u>	<u>49,848</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(251,078)</u>	<u>(194,907)</u>	<u>(74,127)</u>	<u>120,780</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(251,078)	(194,907)	(74,127)	120,780
Fund Balance, Beginning of Year	<u>251,078</u>	<u>194,907</u>	<u>194,907</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,780</u>	<u>\$ 120,780</u>

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL RESERVE PROJECT FUND
For the Year Ended June 30, 2025

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Instructional Program	-	-	-	-
Operations and Maintenance of Plant Services	927,578	1,019,796	569,567	450,229
Facilities Acquisition and Construction Services	-	-	-	-
Operating Reserves	-	-	-	-
TOTAL EXPENDITURES	<u>927,578</u>	<u>1,019,796</u>	<u>569,567</u>	<u>450,229</u>
Excess (Deficiency) of Revenues Over Expenditures	(927,578)	(1,019,796)	(569,567)	450,229
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>527,500</u>	<u>527,500</u>	<u>527,500</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>527,500</u>	<u>527,500</u>	<u>527,500</u>	<u>-</u>
Net Change in Fund Balance	(400,078)	(492,296)	(42,067)	450,229
Fund Balance, Beginning of Year	<u>400,078</u>	<u>492,296</u>	<u>492,296</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,229</u>	<u>\$ 450,229</u>

ARCHULETA SCHOOL DISTRICT 50 JT
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
A.S.E. - MOONEY PRIVATE-PURPOSE TRUST FUND
For the Year Ended June 30, 2025

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
ADDITIONS				
Interest Income	\$ 10,444	\$ 10,444	\$ 13,934	\$ 3,490
TOTAL ADDITIONS	<u>10,444</u>	<u>10,444</u>	<u>13,934</u>	<u>3,490</u>
DEDUCTIONS				
Scholarships	7,188	7,188	10,781	(3,593)
Operating Reserves	<u>312,111</u>	<u>312,111</u>	<u>-</u>	<u>312,111</u>
TOTAL DEDUCTIONS	<u>319,299</u>	<u>319,299</u>	<u>10,781</u>	<u>308,518</u>
Excess of Additions over Deductions	(308,855)	(308,855)	3,153	312,008
NONOPERATING ADDITIONS (DEDUCTIONS)				
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(308,855)	(308,855)	3,153	312,008
Fund Balance, Beginning of Year	<u>308,855</u>	<u>308,855</u>	<u>308,811</u>	<u>(44)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,964</u>	<u>\$ 311,964</u>

ARCHULETA SCHOOL DISTRICT 50JT

SINGLE AUDIT SECTION

ARCHULETA SCHOOL DISTRICT 50JT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Child Nutrition Cluster</i>			
U.S. Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 4553	\$ 139,908
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	82,639
National School Lunch Program	10.555	Colorado Department of Education, 4555	518,251
<i>Total Child Nutrition Cluster</i>			740,798
<i>Forest Service Schools and Roads Cluster</i>			
U.S. Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and Archuleta and Hinsdale County Treasurers, 7665	57,984
<i>Total Forest Service Schools and Roads Cluster</i>			57,984
<i>Total All Clusters</i>			798,782
<i>Other Programs</i>			
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010/9212	442,344
Career and Technical Education -- Basic Grants to States	84.048	Colorado Community College System, 4048	14,500
English Language Acquisition State Grants	84.365	Colorado Department of Education, 4365	7,768
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	84,795
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4424	9,990
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4414/9414/4434/4436	163,737
<i>Total U.S. Department of Education</i>			723,134

ARCHULETA SCHOOL DISTRICT 50JT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Colorado Department of Education, 7243	231,592
<i>Total U.S. Department of Health and Human Services</i>			231,592
<i>Total Other Programs</i>			954,726
<i>Total Expenditures of Federal Awards</i>			\$ 1,753,508

ARCHULETA SCHOOL DISTRICT 50JT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The District did not elect to use the 15-percent or 10-percent de minimis indirect cost rate, as applicable, as allowed under Uniform Guidance for the year ended June 30, 2025. In addition, the District did not pass-through federal funds to subrecipients.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District.

NOTE 3 FOOD SERVICE INVENTORY VALUATION

Food Service inventory consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the U.S. Department of Agriculture, are recorded at their estimated fair market value at the date of receipt.

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Archuleta School District 50 JT
Pagosa Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Archuleta School District 50 JT (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 25, 2025.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Report on Compliance and Other Matters

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

Purpose of this Report

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 25, 2025

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Archuleta School District 50 JT
Pagosa Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Archuleta School District 50 JT's (the District) compliance with the types of compliance requirements identified as subject to audit described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 25, 2025

ARCHULETA SCHOOL DISTRICT 50JT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes X none reported
- Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _____yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? _____yes X no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

ARCHULETA SCHOOL DISTRICT 50JT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

Finding 2024-001: Internal Control over Financial Reporting
(Repeat of Finding 2023-001)

Type of finding: Internal Control (significant deficiency)

Condition/Cause: The District has not implemented a complete system of internal controls over year-end reconciliation procedures in order to prevent or detect and correct financial misstatements. In addition, another system conversion took place during fiscal year 2024 and caused financial reporting difficulties.

Recommendation: The District should strengthen internal controls with adopted policies and procedures to include a review process of year-end reconciliations of balance sheet accounts to ensure accurate financial statement reporting.

Status: Implemented.

Section III – Federal Award Findings and Questioned Costs

None

ARCHULETA SCHOOL DISTRICT 50 JT

CDE COMPLIANCE SECTION



Colorado Department of Education
Auditors Integrity Report
 District: 0220 - Archuleta County 50 Jt
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	9,820,525	21,020,086	20,357,317	10,483,293
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	9,820,525	21,020,086	20,357,317	10,483,293
11 Charter School Fund	451,099	1,923,940	1,851,258	523,781
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	194,908	865,515	939,644	120,780
22 Govt Designated-Purpose Grants Fund	264	1,724,372	1,724,636	0
23 Pupil Activity Special Revenue Fund	176,746	220,831	217,038	180,539
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	492,296	527,500	569,567	450,229
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	11,135,838	26,282,244	25,659,460	11,758,621
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	1,262,003	156,348	159,786	1,258,565
Totals	1,262,003	156,348	159,786	1,258,565
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	308,810	13,935	10,781	311,963
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	308,810	13,935	10,781	311,963

FINAL