

BACA COUNTY SCHOOL DISTRICT NO. RE-5

FINANCIAL STATEMENTS

June 30, 2025

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditors' Report	
Management's Discussion and Analysis	i - vii
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances– Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	5
Notes to Financial Statements	6 - 45
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	46
Schedule of the District's Proportionate Share – School Division Trust Fund	47
Schedule of the District's Contributions – School Division Trust Fund	48
Schedule of the District's Proportionate Share – Health Care Trust Fund	49
Schedule of the District's Contributions – Health Care Trust Fund	50

TABLE OF CONTENTS (Continued)

Combining and Individual Fund Financial Statements and Schedules	PAGE
Budgetary Comparison Schedule – Building Fund – Capital Projects Fund	51
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenses and Changes in Fund Balances Nonmajor Governmental Funds	53
Budgetary Comparison Schedule – Food Service Fund	54
Budgetary Comparison Schedule – Pupil Activity Fund	55
Budgetary Comparison Schedule – Capital Reserve Fund	56
STATE COMPLIANCE	
Electronic Financial Data Integrity Check Figures	57

FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Education
Baca County School District RE-5
Vilas, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County School District RE-5 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Baca County School District RE-5 as of June 30, 2025, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baca County School District RE-5 and to meet our 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 46-50 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 (GASB) 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and State Compliance as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund financial statements and State Compliance have 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

December 31, 2025

Baca County School District RE5

Management Discussion and Analysis

For the fiscal year ending June 30, 2025

Introduction

This Management Discussion and Analysis (MD&A) provides an overview of the financial activities of Baca County School District RE-5 for the fiscal year ended June 30, 2025. The intent of this narrative is to offer readers insight into the District's overall financial condition, key financial decisions, and significant factors that impacted operations during the year. This discussion should be read in conjunction with the District's audited financial statements and accompanying notes.

The MD&A is an element of reporting put forth by the Government Accounting Standards Board (GASB), in accordance with GASB Statement No. 34 *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*.

Financial Highlights

- **Stable General Fund Position:** The District maintained a stable General Fund balance despite rising costs in transportation, utilities, and instructional materials.
- **Enrollment Trends:** Enrollment remained relatively consistent, with slight fluctuations influenced by demographic changes in the region. Enrollment continues to be a key factor in state funding.
- **Capital Investments:** The District invested in facility maintenance, technology upgrades, and safety improvements across the campus. These expenditures were planned and aligned with long-term capital needs.
- **Federal and State Funding:** The District continued to benefit from federal programs including Title I, Title II, and ESSER carryover funds. State revenue was impacted by statewide budget adjustments and the state's hold harmless provisions.

Overview of the Financial Statements

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

Government-Wide Financial Statements

These statements provide a broad, long-term view of the District's finances and report information on all non-fiduciary activities. They reflect both short-term and long-term assets and liabilities, offering a comprehensive picture of financial health.

Fund Financial Statements

The fund statements focus on current financial resources and short-term inflows and outflows of spendable funds. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the Financial Statements

The notes clarify financial information and provide additional detail on District policies, commitments, contingencies, and capital assets.

Financial Analysis of the District as a Whole

Net Position

The District's net position changed modestly during the fiscal year, reflecting responsible fiscal management in the face of rising operational costs. The District continued investing in instructional programs, staffing, and student support services.

Summary of Net Position (Government-Wide)

	<u>FY 2025</u>	<u>FY 2024</u>
Total Assets	\$13,409,364	\$11,247,930
Deferred Outflows	\$288,155	\$400,653
Total Liabilities	\$2,381,398	\$2,891,029
Deferred Inflows	\$244,541	\$38,307
Net Position	<u>\$11,071,580</u>	<u>\$8,719,247</u>

Revenues

- **Program Revenues:** Primarily generated from federal and state grants supporting instructional and support services.
- **General Revenues:** The largest source continues to be state equalization funding, supplemented by local property taxes.

Expenditures

Primary expenditures included instruction, student transportation, operations and maintenance, and administrative services. Cost increases were driven by: - Higher staffing and benefits obligations - Increased transportation fuel and fleet maintenance costs - Aging facility needs

Summary of Activities (Government-Wide)

	<u>FY 2025</u>	<u>FY 2024</u>
General Revenues	\$3,373,019	\$3,486,192
Program Revenues	\$907,955	\$867,468
Governmental Expenses	\$1,928,641	\$3,262,580
Change in Net Position	<u>\$2,352,333</u>	<u>\$1,091,080</u>

Budgetary Highlights

The District adopted a balanced budget for FY25. During the year, amendments were made to reflect updated enrollment counts, changes in grant awards, and adjustments to operational expenditures. Overall spending remained within appropriated limits.

Budgetary Comparison Governmental Funds

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Revenue	\$3,738,020	\$4,299,818	\$561,798
Total Expenditures	\$2,612,341	\$2,569,592	\$42,749
Other Financing Sources	\$0	\$0	\$0
Change in Fund Balance	<u>\$1,125,679</u>	<u>\$1,730,226</u>	<u>\$604,547</u>
Total Appropriation	\$5,952,902		
Appropriated Fund Balance	\$2,288,772		

Capital Assets and Debt Administration

Capital Assets

The District's capital assets include buildings, grounds, equipment, and technology infrastructure. Key investments this year included: - HVAC improvements - Classroom technology replacements - Building maintenance and safety enhancements

Debt

Baca County School District RE-5 carries minimal long-term debt compared to similarly sized districts. Any outstanding obligations remain well within statutory debt limitations and are aligned with the District's long-term financial strategies.

Economic Factors and Next Year's Budget

The District's budget planning for FY26 considers: - Anticipated changes in state school finance funding - Enrollment projections - Increasing operating costs (utilities, transportation, and staffing) - Ongoing investment in student learning and instructional support as well as aging facility maintenance.

Economic conditions in rural Colorado, including agricultural market fluctuations and population shifts, continue to influence District planning.

Conclusion

Baca County School District RE-5 remains committed to responsible fiscal stewardship, strategic investment in student learning, and maintaining safe and supportive learning environments. The District will continue monitoring financial trends and adjusting strategies to sustain long-term stability.

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT NO. RE-5

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL ACTIVITIES	
	2025	2024
ASSETS		
Cash and Investments	\$ 4,294,794	\$ 2,434,116
Taxes Receivable	13,841	19,570
Grants Receivable	-	190,464
Accounts Receivable	13,786	3,085
Prepaid Items	19,170	-
Inventories	291	291
Capital Assets, Not Depreciated	1,040,433	1,008,391
Capital Assets, Depreciated Net of Accumulated Depreciation	8,027,049	7,592,013
TOTAL ASSETS	13,409,364	11,247,930
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	282,563	384,596
Related to OPEB	10,102	16,057
TOTAL DEFERRED OUTFLOWS OF RESOURCES	292,665	400,653
LIABILITIES		
Accounts Payable	56,168	173,661
Accrued Expenses	6,153	-
Accrued Salaries and Benefits	117,998	85,726
Accrued Interest Payable	15,133	15,133
Unearned Revenues	142,565	99,367
Noncurrent Liabilities		
Compensated Absences	35,290	43,353
Net Pension Liability	1,536,429	1,952,524
Net OPEB Liability	25,014	46,510
Due Within One Year	29,302	28,107
Due in More Than One Year	417,346	446,648
TOTAL LIABILITIES	2,381,398	2,891,029
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	251,062	18,651
Related to OPEB	25,017	19,656
TOTAL DEFERRED INFLOWS OF RESOURCES	276,079	38,307
NET POSITION		
Net Investment in Capital Assets	8,605,701	8,110,516
Restricted for Emergencies	48,520	33,874
Unrestricted	2,390,331	574,857
TOTAL NET POSITION	\$ 11,044,552	\$ 8,719,247

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2025	2024
PRIMARY GOVERNMENT						
Governmental Activities						
Instruction	\$ 127,337	\$ -	\$ 445,815	\$ -	\$ 318,478	\$ (1,800,141)
Supporting Services	1,857,438	842	178,989	282,309	(1,395,298)	(594,971)
Total Governmental Activities	<u>\$ 1,984,775</u>	<u>\$ 842</u>	<u>\$ 624,804</u>	<u>\$ 282,309</u>	(1,076,820)	(2,395,112)
GENERAL REVENUES						
					179,871	162,108
					20,108	18,404
					2,601,605	3,183,100
					480,662	155,455
					109,617	25,208
					14,553	3,192
					(4,291)	(61,275)
					<u>3,402,125</u>	<u>3,486,192</u>
					2,325,305	1,091,080
					<u>8,719,247</u>	<u>7,628,167</u>
					<u>\$ 11,044,552</u>	<u>\$ 8,719,247</u>

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	BUILDING	NONMAJOR FUNDS	TOTALS	
				2025	2024
ASSETS					
Cash and Investments	\$ 4,275,104	\$ -	\$ 19,690	4,294,794	\$ 2,434,116
Taxes Receivable	13,841	-	-	13,841	19,570
Grants Receivable	-	-	-	-	190,464
Accounts Receivable	13,710	-	76	13,786	3,085
Inventories	-	-	291	291	291
Prepaid Expenses	19,170	-	-	19,170	-
Due from Other Funds	759,607	32	625,912	1,385,551	209,636
TOTAL ASSETS	\$ 5,081,432	\$ 32	\$ 645,969	\$ 5,727,433	\$ 2,857,162
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 55,970	\$ -	\$ 198	\$ 56,168	\$ 173,661
Accrued Expenses	-	-	6,153	6,153	-
Accrued Salaries and Benefits	117,998	-	-	117,998	85,726
Due to Other Funds	777,465	-	608,086	1,385,551	209,636
Unearned Revenues	128,724	-	-	128,724	85,114
Deferred Tax Revenues	13,841	-	-	13,841	14,253
TOTAL LIABILITIES	1,093,998	-	614,437	1,708,435	568,390
FUND BALANCES					
Nonspendable	19,170	-	-	19,170	-
Restricted for Emergencies	48,520	-	-	48,520	33,874
Restricted for Debt Service	-	32	-	32	-
Committed for Capital Outlay	-	-	4,689	4,689	16
Restricted for Food Service	-	-	16,583	16,583	49,975
Assigned for Student Activities	-	-	10,260	10,260	2,684
Unassigned	3,919,744	-	-	3,919,744	2,202,223
TOTAL FUND BALANCES	3,987,434	32	31,532	4,018,998	2,288,772
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,081,432	\$ 32	\$ 645,969		

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.	9,067,482	8,600,404
Long-term liabilities, including lease payable (\$446,648), accrued interest (\$15,133), and compensated absences (\$35,290) are not due and payable in the current period and are not reported in the funds.	(497,071)	(533,241)
Long-term liabilities and assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$1,536,429), net OPEB liability (\$25,014), deferred outflows related to pensions and OPEB \$292,665, and deferred inflows related to pensions and OPEB (\$276,079).	(1,544,857)	(1,636,688)
Net position of governmental activities	<u>\$11,044,552</u>	<u>\$ 8,719,247</u>

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	GENERAL	BUILDING	NONMAJOR FUNDS	TOTALS	
				2025	2024
REVENUES					
Local Sources	\$ 732,961	\$ -	\$ 33,511	\$ 766,472	\$ 381,667
State Sources	2,830,630	-	285,610	3,116,240	3,426,717
Federal Sources	372,476	-	44,630	417,106	707,407
TOTAL REVENUES	<u>3,936,067</u>	<u>-</u>	<u>363,751</u>	<u>4,299,818</u>	<u>4,515,791</u>
EXPENDITURES					
Current					
Instruction	889,507	-	25,295	914,802	2,047,582
Supporting Services	991,257	-	615,249	1,606,506	1,180,327
Capital Outlay	-	48,284	-	48,284	354,976
TOTAL EXPENDITURES	<u>1,880,764</u>	<u>48,284</u>	<u>640,544</u>	<u>2,569,592</u>	<u>3,582,885</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,055,303</u>	<u>(48,284)</u>	<u>(276,793)</u>	<u>1,730,226</u>	<u>932,906</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	48,300	275,000	323,300	95,300
Transfers Out	<u>(323,300)</u>	<u>-</u>	<u>-</u>	<u>(323,300)</u>	<u>(95,300)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(323,300)</u>	<u>48,300</u>	<u>275,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,732,003	16	(1,793)	1,730,226	932,906
FUND BALANCES, Beginning as restated	<u>2,255,431</u>	<u>16</u>	<u>33,325</u>	<u>2,288,772</u>	<u>1,355,866</u>
FUND BALANCES, Ending	<u>\$ 3,987,434</u>	<u>\$ 32</u>	<u>\$ 31,532</u>	<u>\$ 4,018,998</u>	<u>\$ 2,288,772</u>

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds	\$ 1,730,226
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$775,095 exceeded depreciation expense of (\$303,726), and loss on disposal of assets \$4,291 in the current period.	467,078
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	91,831
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These are lease payments and changes in accrued compensated absences.	<u>36,170</u>
Change in net position of governmental activities	<u><u>\$ 2,325,305</u></u>

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Baca County School District RE-5 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Building Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The *General Fund* is the District's primary operating fund; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

The *Building Fund* accounts for the activity of the construction of a building.

Assets, Liabilities and Fund Balance/Net Position

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

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

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

Inventories – Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

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

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

Unearned Revenues – The unearned revenues include amounts received but not yet available for expenditure.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. These compensated absences are recognized as current salary costs when accrued in the proprietary fund types and when paid in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. The District records long-term debt of governmental funds at face value. Leases are serviced from property taxes and other revenues of the General Fund.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third party limitation on their use. While School management may have categorized and segmented portion for various purposes, the School Board has the unrestricted right to revisit or alter these managerial decisions.

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District does not have any nonspendable resources as of June 30, 2025.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. They have also restricted funds for preschool expenses and food service.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has committed resources for capital outlay at June 30, 2025.
- Assigned – These amounts do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. The District has assigned resources to be used for student activities.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

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. 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.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted for all funds, except the Building Fund on a basis consistent with generally accepted accounting principles. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes. 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:

- Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- 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.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal year-end because they have lapsed and are pending reinstatement.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 3: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Petty Cash	\$ 2,000
Deposits	<u>4,292,794</u>
Total Cash and Investments	<u>\$ 4,294,794</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2025, the District had deposits with financial institutions with a carrying amount of \$4,292,794. The bank balances with the financial institutions were \$4,289,825. Of these balances, \$270,504 was covered by federal depository insurance and \$4,019,321 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Interest Rate Risk

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.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 3: CASH AND INVESTMENTS (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The District has no investments as of June 30, 2025.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Interfund Balances at June 30, 2025 total \$1,385,551 and are created by timing differences in cash payments.

Below is a schedule of interfund transfers made during the year ended June 30, 2025.

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Food Service	\$ 25,000
General Fund	Building Fund	48,300
General Fund	Capital Reserve Fund	<u>250,000</u>
Total		<u>\$ 323,300</u>

The transfers were made to offset additional operating and capital costs. These transfers are budgeted annually. The transfers are eliminated from the government fund statements during the consolidation of governmental activities.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: CAPITAL ASSETS

	Balances <u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/2025</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 31,928	\$ -	\$ -	\$ 31,926
Construction in Progress	<u>976,463</u>	<u>701,008</u>	<u>668,966</u>	<u>1,008,505</u>
Total Capital Assets, not depreciated	<u>1,008,391</u>	<u>701,008</u>	<u>668,966</u>	<u>1,040,433</u>
 Capital Assets, depreciated				
Buildings	8,381,510	668,966	4,291	9,046,185
Food Service	33,476	5,418	-	38,894
Vehicles	426,529	59,734	-	486,263
Equipment	<u>169,107</u>	<u>8,935</u>	<u>-</u>	<u>178,042</u>
Total Capital Assets, depreciated	<u>9,010,622</u>	<u>743,053</u>	<u>4,291</u>	<u>9,749,384</u>
 Less Accumulated Depreciation				
Buildings	972,121	280,771	4,291	1,248,601
Food Service	9,488	4,374	-	13,862
Vehicles	310,376	14,273	-	324,649
Equipment	<u>126,624</u>	<u>8,599</u>	<u>-</u>	<u>135,223</u>
Total Accumulated Depreciation	<u>1,418,609</u>	<u>308,017</u>	<u>4,291</u>	<u>1,722,335</u>
 Total Capital Assets, depreciated, Net	<u>7,592,013</u>	<u>435,036</u>	<u>-</u>	<u>8,027,049</u>
Governmental Activities, Capital Assets, Net	<u>\$ 8,600,404</u>	<u>\$ 1,136,044</u>	<u>\$ 668,966</u>	<u>\$ 9,067,482</u>

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

Governmental Activities

Instruction	\$ -
Supporting Services	<u>308,017</u>
 Total:	<u>\$ 303,726</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, at June 30, 2025, are estimated to be \$117,998. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: LONG-TERM DEBT

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

	Balance <u>6/30/2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2025</u>	Due In <u>One Year</u>
Debt from Direct Borrowings					
Direct Placements					
Lease	474,755	-	28,107	446,648	29,302
Compensated Absences	<u>43,353</u>	<u>-</u>	<u>8,063</u>	<u>35,290</u>	<u>-</u>
Total	<u>\$ 518,108</u>	<u>\$ -</u>	<u>\$ 36,170</u>	<u>\$ 481,938</u>	<u>\$ 29,302</u>

Compensated absences are expected to be liquidated with revenues of the General Fund.

Lease

In 2024, the District executed a lease purchase agreement of \$550,000 for equipment related to a school improvement project. The lease purchase agreement is for a period of 15 years with interest of 4.25% per annum and yearly payments of \$48,824.

Annual debt service requirements to maturity for the lease purchase agreement are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 29,302	\$ 18,982	\$ 48,284
2027	30,547	17,737	48,284
2028	31,845	16,439	48,284
2029	33,199	15,085	48,284
2030	34,609	13,675	48,284
2031 – 2035	196,402	45,019	241,421
2036 – 2037	<u>90,744</u>	<u>5,825</u>	<u>96,569</u>
Total Debt Service Requirements	<u>\$ 446,648</u>	<u>\$ 132,762</u>	<u>\$ 579,410</u>

NOTE 8: JOINTLY GOVERNED ORGANIZATIONS

BOCES

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District. The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rate basis determined by the BOCES board. The BOCES financial statements can be obtained at their office located at 7784 Saddle Club Drive in Lamar, CO 81052.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

Contributions provisions as of the District: 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.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 following table:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$125,654 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.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

At June 30, 2025, the District reported a liability of \$1,536,429 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 District were as follows:

The District's proportionate share of the net pension liability	\$ 1,536,429
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District.	137,996
Total	\$ 1,674,425

At December 31, 2024, the District's proportion was 0.0089%, which was a decrease of 0.00214% from its proportion measured as of December 31, 2023. For the year ended June 30, 2025, the District recognized pension expense of \$29,400 and revenue of \$14,553 for support from the State as a nonemployer contributing entity.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2025, the District reported 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	\$87,006	N/A
Changes of assumptions or other inputs	11,519	N/A
Net difference between projected and actual earnings on pension plan investments	28,988	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	93,116	251,062
Contributions subsequent to the measurement date	61,934	N/A
Total	\$282,563	\$251,06

\$61,934 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	\$27,896
2027	(\$15,638)
2028	(\$42,691)
2029	-
2030	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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 SCHD'TF'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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$2,083,042	\$1,536,429	\$1,078,565

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 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan

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

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

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

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

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$6,289 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 \$25,014 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.00523%, which was a decrease of 0.00129% from its proportion measured as of December 31, 2023.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB income of \$3,891. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$5,518
Changes of assumptions or other inputs	\$287	7,996
Net difference between projected and actual earnings on OPEB plan investments	85	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,630	11,503
Contributions subsequent to the measurement date	3,100	N/A
Total	\$10,102	\$25,017

\$3,100 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	(\$2,309)
2027	(\$2,900)
2028	(\$5,006)
2029	(\$4,151)
2030	(\$2,836)
Thereafter	(\$814)

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans				16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2				105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums				3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

The 2024 Medicare Part A premium is \$505 per month.

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

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

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.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Year	PERACare Medicare Plans ¹	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
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
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$24,340	\$25,014	\$25,777

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 years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following table presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$30,655	\$25,014	\$20,151

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District is fully self insured for unemployment compensation and has a \$1,000 deductible for property insurance.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial or District coverage in any of the past three years.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state 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 the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1998, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1996-97 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A reservation of equity in the General Fund in the amount of \$48,520 has been recorded as an emergency reserve in accordance with the Amendment.

BACA COUNTY SCHOOL DISTRICT NO. RE-5

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 13: SUBSEQUENT EVENTS

Potential subsequent events were considered through December 31, 2025. It was determined that no events are required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

BACA COUNTY SCHOOL DISTRICT RE-5

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	2025			VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources	\$ 296,817	\$ 288,800	\$ 732,961	\$ 444,161	358,017
State Sources	2,572,106	2,750,400	2,830,630	80,230	3,426,381
Federal Sources	56,965	332,920	372,476	39,556	370,163
TOTAL REVENUES	<u>2,925,888</u>	<u>3,372,120</u>	<u>3,936,067</u>	<u>563,947</u>	<u>4,154,561</u>
EXPENDITURES					
Instruction	593,112	991,112	887,175	103,937	2,011,084
Support Services					
Students	90,421	90,206	107,304	(17,098)	120,105
Instructional Staff Support	58,236	63,128	63,863	(735)	71,313
General Administration	193,052	180,640	159,856	20,784	249,863
School Administration Support Services	60,190	52,521	50,580	1,941	149,993
Business Support Services	100,757	66,820	73,034	(6,214)	55,025
Operations and Maintenance	183,732	211,510	277,962	(66,452)	195,577
Student Transportation Services	103,061	163,179	62,231	100,948	105,039
Central Support Services	129,700	137,269	143,026	(5,757)	131,267
Community Service	-	-	55,733	(55,733)	-
TOTAL EXPENDITURES	<u>1,512,261</u>	<u>1,956,385</u>	<u>1,880,764</u>	<u>75,621</u>	<u>3,089,266</u>
OTHER FINANCING SOURCES (USES)					
Transfers to Other Funds	<u>(345,300)</u>	<u>(345,300)</u>	<u>(323,300)</u>	<u>(22,000)</u>	<u>(95,300)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(345,300)</u>	<u>(345,300)</u>	<u>(323,300)</u>	<u>(22,000)</u>	<u>(95,300)</u>
CHANGE IN FUND BALANCE	1,068,327	1,070,435	1,732,003	(661,568)	969,995
FUND BALANCES, Beginning	<u>1,699,641</u>	<u>1,977,268</u>	<u>2,255,431</u>	<u>278,163</u>	<u>1,285,436</u>
FUND BALANCES, Ending	<u>\$ 2,767,968</u>	<u>\$ 3,047,703</u>	<u>\$ 3,987,434</u>	<u>\$ (383,405)</u>	<u>\$ 2,255,431</u>

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended December 31,
(School Division Trust Fund Measurement Date)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportionate share of the Net Pension Liability	0.0129%	0.0108%	0.0098%	0.0082%	0.0079%	0.0110%	0.0108%	0.0010%	0.0110%	0.0089%
District's proportionate share of the Net Pension Liability	\$ 1,979,443	\$ 3,201,745	\$ 3,156,634	\$ 1,459,490	\$ 1,189,660	\$ 1,663,354	\$ 1,260,429	\$ 1,758,084	\$ 1,952,524	\$ 1,536,429
State of Colorado's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	199,565	150,893	-	144,492	513,213	41,894	137,996
Total portion of the Net Pension Liability associated with the District	\$ 1,979,443	\$ 3,201,745	\$ 3,156,634	\$ 1,659,055	\$ 1,340,553	\$ 1,663,354	\$ 1,404,921	\$ 2,271,297	\$ 1,994,418	\$ 1,674,425
District's covered payroll	\$ 514,004	\$ 457,964	\$ 455,178	\$ 453,722	\$ 514,623	\$ 639,950	\$ 724,438	\$ 731,699	\$ 720,131	\$ 628,361
District's proportionate share of the Net Pension Liability as a percentage of its covered payroll	385.1%	699.1%	693.5%	365.7%	260.5%	259.9%	193.9%	310.4%	277.0%	266.5%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%	67.2%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contributions	\$ 91,235	\$ 84,185	\$ 85,980	\$ 86,797	\$ 99,734	\$ 127,222	\$ 144,021	\$ 149,121	\$ 135,534	\$ 125,654
Contributions in relation to the Statutorily required contributions	91,235	84,185	85,980	86,797	99,734	127,222	144,021	149,121	135,534	125,654
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 514,004	\$ 457,964	\$ 455,178	\$ 453,722	\$ 514,623	\$ 639,950	\$ 724,438	\$ 731,699	\$ 665,033	\$ 616,552
Contributions as a percentage of covered payroll	17.75%	18.38%	18.89%	19.13%	19.38%	19.88%	19.88%	20.38%	20.38%	20.38%

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,
(Health Care Trust Fund Measurement Date)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportionate share of the Net OPEB Liability	0.0061%	0.0055%	0.0053%	0.0052%	0.0063%	0.0070%	0.0070%	0.0065%	0.0052%
District's proportionate share of the Net OPEB Liability	\$ 79,250	\$ 72,084	\$ 72,893	\$ 58,502	\$ 60,436	\$ 60,980	\$ 59,943	\$ 46,510	\$ 25,014
District's covered payroll	\$ 457,964	\$ 455,178	\$ 455,178	\$ 514,623	\$ 639,950	\$ 724,438	\$ 731,699	\$ 720,131	\$ 628,361
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	17.30%	15.84%	16.01%	11.37%	9.44%	8.42%	8.19%	6.46%	3.98%
Plan fiduciary net position as a percentage of the total OPEB liability	16.7%	17.5%	17.0%	24.5%	32.8%	39.4%	38.6%	46.2%	59.8%

Notes

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 4,671	\$ 4,643	\$ 4,628	\$ 5,249	\$ 6,527	\$ 7,388	\$ 7,463	\$ 6,783	\$ 6,289
Contributions in relation to the Statutorily required contributions	<u>4,671</u>	<u>4,643</u>	<u>4,628</u>	<u>5,249</u>	<u>6,527</u>	<u>7,388</u>	<u>7,463</u>	<u>6,783</u>	<u>6,289</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	\$ 457,964	\$ 455,178	\$ 453,722	\$ 514,623	\$ 639,950	\$ 724,438	\$ 731,699	\$ 665,033	\$ 616,552
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%

Notes

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-5

BUILDING FUND - CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	2025		VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Debt Service				
Principal	27,935	27,935	-	26,961
Interest	20,365	20,349	(16)	21,323
TOTAL EXPENDITURES	48,300	48,284	(16)	48,284
EXCESS OF REVENUES UNDER EXPENDITURES	(48,300)	(48,284)	16	(48,284)
OTHER FINANCING SOURCES				
Transfers To Other Funds	-	-	-	-
Transfers From Other Funds	48,300	48,300	-	48,300
TOTAL OTHER FINANCING SOURCES	48,300	48,300	-	48,300
CHANGE IN FUND BALANCE	-	16	16	16
FUND BALANCE, Beginning	16	16	16	-
FUND BALANCE, Ending	\$ 16	\$ 32	\$ 32	\$ 16

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2025

	SPECIAL REVENUE		CAPITAL PROJECT	TOTALS	
	FOOD SERVICE	PUPIL ACTIVITY	CAPITAL RESERVE	2025	2024
ASSETS					
Current Assets					
Cash and Investments	\$ -	\$ 19,690	\$ -	\$ 19,690	\$ 10,601
Accounts Receivable	76	-	-	76	38,337
Due from Other Funds	100,238	-	525,674	625,912	47,633
Inventories	291	-	-	291	291
TOTAL ASSETS	\$ 100,605	\$ 19,690	\$ 525,674	\$ 645,969	\$ 96,862
LIABILITIES					
Accounts Payable	43	155	-	198	-
Accrued Expenses	6,153	-	-	6,153	-
Due to Other Funds	77,826	9,275	520,985	608,086	63,537
TOTAL LIABILITIES	84,022	9,430	520,985	614,437	63,537
FUND BALANCE					
Committed for Capital Outlay	-	-	4,689	4,689	(19,334)
Restricted for Food Service	16,583	-	-	16,583	49,975
Assigned for Pupil Activities	-	10,260	-	10,260	2,684
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	16,583	10,260	4,689	31,532	33,325
TOTAL LIABILITIES AND FUND BALANCE	\$ 100,605	\$ 19,690	\$ 525,674	\$ 645,969	\$ 96,862

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2025

	SPECIAL REVENUE		CAPITAL PROJECT	TOTALS	
	FOOD SERVICE	PUPIL ACTIVITY	CAPITAL RESERVE	2025	2024
REVENUES					
Local Sources	\$ 640	\$ 32,871	\$ -	\$ 33,511	\$ 23,650
State Sources	3,301	-	282,309	285,610	287,344
Federal Sources	44,630	-	-	44,630	50,236
TOTAL REVENUES	48,571	32,871	282,309	363,751	361,230
EXPENDITURES					
Pupil Activities	-	25,295	-	25,295	36,498
Food Services	101,546	-	-	101,546	102,145
Property	5,417	-	508,286	513,703	306,692
TOTAL EXPENDITURES	106,963	25,295	508,286	640,544	445,335
EXCESS OF REVENUES OVER EXPENDITURES	(58,392)	7,576	(225,977)	(276,793)	(84,105)
OTHER FINANCING SOURCES (USES)					
Transfers In	25,000	-	250,000	275,000	47,000
TOTAL OTHER FINANCING SOURCES	25,000	-	250,000	275,000	47,000
NET CHANGE IN FUND BALANCE	(33,392)	7,576	24,023	(1,793)	(37,105)
FUND BALANCE, Beginning	49,975	2,684	(19,334)	33,325	70,430
FUND BALANCE, Ending	\$ 16,583	\$ 10,260	\$ 4,689	\$ 31,532	\$ 33,325

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

FOOD SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	2025			VARIANCE	2024 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources	\$ 1,070	\$ 900	\$ 640	\$ (260)	\$ 1,006
State Sources	700	2,200	3,301	1,101	336
Federal Sources	70,000	37,500	44,630	7,130	50,236
TOTAL REVENUES	71,770	40,600	48,571	7,971	51,578
EXPENDITURES					
Salaries	37,023	41,560	41,560	-	31,642
Benefits	15,210	21,196	19,102	2,094	12,263
Purchased Services	150	150	492	(342)	107
Food, Commodities and Supplies	63,200	58,250	40,392	17,858	57,031
Property	3,000	3,000	5,417	(2,417)	1,102
TOTAL EXPENDITURES	118,583	124,156	106,963	17,193	102,145
EXCESS OF REVENUES OVER EXPENDITURES	(46,813)	(83,556)	(58,392)	25,164	(50,567)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	47,000	47,000	25,000	(22,000)	47,000
NET CHANGE IN FUND BALANCE	187	(36,556)	(33,392)	3,164	(3,567)
FUND BALANCE, Beginning	53,542	38,835	49,975	11,140	53,542
FUND BALANCE, Ending	\$ 53,729	\$ 2,279	\$ 16,583	\$ 14,304	\$ 49,975

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

PUPIL ACTIVITY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	2025			VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources	\$ 35,000	\$ 27,000	\$ 32,871	\$ 5,871	\$ 22,294
TOTAL REVENUES	35,000	27,000	32,871	5,871	22,294
EXPENDITURES					
Pupil Activities	35,000	27,000	25,295	1,705	36,498
TOTAL EXPENDITURES	35,000	27,000	25,295	1,705	36,498
CHANGE IN FUND BALANCE	-	-	7,576	7,576	(14,204)
FUND BALANCE, Beginning	2,888	2,684	2,684	-	16,888
FUND BALANCE, Ending	\$ 2,888	\$ 2,684	\$ 10,260	\$ 7,576	\$ 2,684

See the accompanying independent auditors' report.

BACA COUNTY SCHOOL DISTRICT RE-5

CAPITAL RESERVE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	2025			VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 350
State Sources	-	250,000	282,309	282,309	287,008
TOTAL REVENUES	-	250,000	282,309	282,309	287,358
EXPENDITURES					
Building Improvements	35,000	456,500	508,286	(51,786)	306,692
TOTAL EXPENDITURES	35,000	456,500	508,286	(51,786)	306,692
EXCESS OF REVENUES UNDER EXPENDITURES	(35,000)	(206,500)	(225,977)	230,523	(19,334)
OTHER FINANCING SOURCES					
Transfers from Other Funds	250,000	250,000	250,000	-	-
TOTAL OTHER FINANCING SOURCES	250,000	250,000	250,000	-	-
CHANGE IN FUND BALANCE	215,000	43,500	24,023	230,523	(19,334)
FUND BALANCE, Beginning	-	244,378	(19,334)	(263,712)	-
FUND BALANCE, Ending	\$ 215,000	\$ 287,878	\$ 4,689	\$ (33,189)	\$ (19,334)

See the accompanying independent auditors' report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0260 - Vilas RE-5
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,255,431	3,612,767	1,880,764	3,987,434
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	2,255,431	3,612,767	1,880,764	3,987,434
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	49,975	73,571	106,964	16,583
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	2,684	32,871	25,294	10,260
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	16	48,300	48,284	32
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	-19,335	532,324	508,300	4,689
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,288,771	4,299,833	2,569,606	4,018,998
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL