

**CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
CENTER, COLORADO**

FINANCIAL STATEMENTS

June 30, 2025



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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Education
Center Consolidated School District 26JT
Center, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Center Consolidated School District 26JT (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Certified Public Accountants

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

January 16, 2025

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

As management for the Center Consolidated School District 26 JT we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

Total Net Position as of June 30, 2024 was \$19,151,218. Total Net Position as of June 30, 2025 was \$17,197,781, which is a decrease of \$1,953,437. Changes to Net Position include the effects of GASB 68 and 73 which requires cost-sharing employers participating in the Public Employees' Retirement Association to include its proportionate share of the net pension and OPEB liabilities. Other changes to Net Position include depreciation on non-current assets and increased revenues due to increased State Equalization.

Total General Fund revenues for Fiscal Year 2025 came in at \$9,286,382, an increase of \$131,440 as compared to Fiscal Year 2024. State Sources brought in total revenues of \$7,182,171, which includes a total of \$6,527,428, in State Equalization (Per Pupil Funding) after recessions. This is an increase of \$761,725 as compared to FY2024, which can be attributed to the major change to the elimination of the Budget Stabilization Factor in association with Total Program Funding for FY2025. Total Student FTE (Full-Time Equivalent) Count came in at 577.5 for FY2025, which is based on a 5-year average. Local sources of income came in at \$2,015,574 and Federal Sources brought in \$76,092, a major decrease of \$597,674, primarily affiliated with the loss of US Forest Reserve Funding in FY2025.

Total General Fund expenditures for the Fiscal Year 2025 were \$10,793,129, an increase of \$746,826 as compared to June 30, 2024. This increase can be attributed to salary increases as well as an 8% increase to the District's Health Care Plan. Fund Balance for the District's General Fund at June 30, 2025 came in at \$2,606,034 for Total General Fund which includes Fund 10 and Fund 19 (Preschool).

Overview of the Financial Statements

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

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

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net Position (the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources) are one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school facilities.

In the district-wide financial statements, the District's activities are included in one category:

- **Governmental activities-** All of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. These activities are financed mainly through grants, property taxes, and state equalization funds.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes the funds to help it manage and control its finances to achieve certain results.

The District uses one type of fund:

- **Governmental funds-** All of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information on the accompanying schedules of the governmental funds statements explains the relationship (or difference) between them.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Analysis of District Financial Position

The Center Consolidated School District ended the 2024-2025 fiscal year with a General Fund – fund balance of \$2,606,034, a decrease of \$1,571,921 as compared to the Fiscal Year 2024 ending fund balance of \$4,177,955. The overall fund balance for all funds is \$5,488,754.

Center Schools has had fairly stable student numbers over the past few years, making the revenue budgeting process more predictable. The District's total student membership with an average funded pupil count of 577.5 students and a PPOR of \$11,325, Total Program. The budget stabilization factor was eliminated. The District continues to provide support and services for students through outside grants, including Expelled and At-Risk Student Services Grant funding, School Health Care Professional Grant, CO Student-Re-Engagement Grant, Ninth Grade Success Program Grant, Vaping Prevention Grant, Title Funding and other various grants.

Condensed Statement of Net Position			
June 30, 2025 and 2024			
	Governmental Activities		
	2025		2024
Assets			
Current Assets	\$ 7,532,929		\$ 11,702,479
Capital Assets	\$ 31,397,555		\$ 29,596,267
Total Assets	\$ 38,930,484		\$ 41,298,746
Deferred Outflow of Resources	\$ 4,243,081		\$ 6,549,566
Liabilities			
Current Liabilities	\$ 2,062,025		\$ 2,727,630
Noncurrent Liabilities	\$ 22,336,213		\$ 25,011,608
Total Liabilities	\$ 24,398,238		\$ 27,739,238
Deferred Inflow of Resources	\$ 1,577,546		\$ 957,856
Net Position			
Net Investment in Capital Assets	\$ 29,570,631		\$ 27,505,269
Restricted for Preschool	\$ 114,384		\$ 130,294
Restricted for Debt Service	\$ 622,158		\$ 529,783
Restricted for TABOR	\$ 365,000		\$ 347,000
Restricted for Capital Projects	\$ 1,933,361		\$ 3,964,440
Unrestricted	\$ (15,407,753)		\$ (13,325,568)
Total Net Position	\$ 17,197,781		\$ 19,151,218

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

	Condensed Statement of Activities		
	For the years ended June 30, 2025 and 2024		
	Governmental Activities		
	2025		2024
Revenues			
Program Revenues			
Charges for Services	\$ 49,356	\$	59,212
Operating Grants & Contributions	\$ 5,216,409	\$	7,097,897
Capital Grants & Contributions	\$ 288,849		-
General Revenues			
Property Taxes	\$ 1,568,515	\$	1,546,488
Other Taxes	\$ 215,475	\$	238,348
State Equalization	\$ 6,527,428	\$	5,765,703
Other	\$ 112,635	\$	187,526
Total Revenues	\$ 13,978,667	\$	14,895,174
Expenses			
Instructional Program	\$ 9,718,016	\$	9,883,256
Student and Instructional Services	\$ 1,219,049	\$	1,413,410
Administration and Business	\$ 1,760,246	\$	1,515,997
Operations and Maintenance	\$ 1,065,860	\$	988,723
Transportation	\$ 549,892	\$	428,877
Food Services	\$ 768,195	\$	740,533
Interest on Long-Term Debt	\$ 212,124	\$	98,029
Other	\$ 638,722	\$	660,665
Total Expenses	\$ 15,932,104	\$	15,729,450
Change in Net Position	\$ (1,953,437)	\$	(834,276)
Beginning Net Position	\$ 19,151,218	\$	19,985,494
Ending Net Position	\$ 17,197,781	\$	19,151,218

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Analysis of Balances and Transactions of Individual Funds

General Fund: The 2024-2025 fiscal year ending fund balance of \$2,606,034 represents a decrease of \$1,571,921 from the previous fiscal year's ending fund balance of, \$4,177,955. After factoring in the District's State Equalization and expenditures incurred for salary and wage increases; and, health care rising costs, the District still maintains a healthy fund balance. The District did have more expense than revenue coming in during the 2024-2025 fiscal year, but was able to apply use of Fund Balance to this overtune, approved by the Board of Education. In addition, the District endured a major hit in Forest Reserve monies of which \$72,616 was received in Fiscal Year 2025. Over the past several years, the District received allocations averaging close to \$500,000 from the counties from the US Forest Reserve or SRS (Secure Rural Schools) Funding.

Expenditures in the General Fund came in \$2,505,969 under budget. Additional expense includes a total of \$375,852 for loan installments to the SLV Federal Bank for the \$3,000,000 loan for the Capital Project of the new classrooms, board room and gymnasium which is currently under construction on the Southeast area of the District's property. Total Reserves budgeted in FY2025 came in at \$1,459,282. The District's revenues came in \$44,084 over budget, due to Federal sources which came in \$56,041 over projections.

GDPG Fund: Our GDPG Fund revenues for 2024-2025 were \$3,464,407, a decrease of \$1,122,129 as compared to Fiscal Year 2024. Total Federal Funding of \$800,803 includes Title 1A: \$279,688; ESSER ELO Programs (Summer and After School Programs): \$281,584. Major States' Grant Funding totaling \$2,512,803 includes EARSS Grant: \$468,157; State Counseling Grant: \$90,000; School Health Care Grant: \$229,890, \$300,000 for the Student Re-Engagement Grant; \$275,953: Ninth Grade Success Grant; and, \$369,971 for the High Impact Tutoring Grant.

Food Service: Total revenue for the fiscal year 2024-2025 was \$595,035, a slight increase as compared to Fiscal Year 2024. Total operating expenses for the 2024-2025 School Year were \$732,994. The General Fund made subsidy transfers totaling \$90,000 to the Food Service Fund; and, use of beginning year fund balance of \$101,624 assisted costs overs total revenues resulting in a Fund Balance of \$53,655 at Fiscal Year 2025 Year- End.

Special Revenue Student Activity Fund: Total expenditures from the Special Revenue Student Activity Fund for 2024-2025 were \$200,013, an increase of \$40,834 from the fiscal year 2024. The Special Revenue Pupil Activity Fund continues to see expenditures increase primarily due to referee payments and other athletic costs. In addition, classes and clubs continue to raise funds for concessions, class trips, and other student activities throughout the fiscal year.

Bond Redemption Fund: Total revenues for the Bond Redemption Fund were \$436,411; and, total expenditures were \$344,036 at June 30, 2025. The Bond Redemption Fund had an ending fund balance of \$622,158 at June 30, 2025. The Bond Redemption Fund is a debt service fund used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease purchase debt. A third party financial institution is the custodian of these funds. The District will maintain this annual debt service until the Fiscal Year ending 2031.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Capital Reserve Fund: The District entered into a \$3,000,000 finance purchase agreement with San Luis Valley Federal Bank to finance the construction project of new classrooms and auxiliary gym which will be added to the current building located at the Southeast Area of the school's property. This agreement is an unsecured loan and will be repaid in 10 years with semi-annual payments (2) in the amount close to \$187,943, respectively, with the last installment scheduled for May 1, 2034. In addition, the Board of Education authorized the transfer of \$1,000,000 from the General Fund (after declaration of Use of Fund Balance) for this project in Fiscal Year 2024. The Capital Reserve Fund ending Fund Balance at June 30, 2025 is \$1,933,361. This project is scheduled for completion before June 30, 2026.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Description of Capital Assets and Long-Term Liabilities

The bulk of our capital assets lie in buildings and equipment. By July 2012 our previous facilities had been demolished and we were moving into a brand new PK-12 facility valued at 31 million dollars.

Long term debt as of June 30, 2025 is \$5,006,089. Of this amount, \$1,826,924 is in the form of General Obligation Bonds for construction of a new school; and, \$2,756,275 for the Financed Purchase Agreement. In addition, there are compensated absences payables of \$422,890.

Condensed Schedule of Capital Assets			
(Net of Accumulated Depreciation)			
June 30, 2025 and 2024			
	Governmental Activities		
	2025		2024
Land	\$ 69,214		\$ 69,214
Construction in Progress	\$ 2,053,777		\$ 1,841,085
Land Improvements	\$ 867,919		\$ 990,883
Infrastructure	\$ 46,805		\$ 52,071
Equipment	\$ 846,506		\$ 878,975
Buildings	\$ 27,513,334		\$ 25,764,039
Total Expenses	\$ 31,397,555		\$ 29,596,267

Currently Known Facts that are expected to have a Future Material Effect

High stakes testing, increasing expectations for student achievement, and required implementation of unfunded reform mandates by both the State of Colorado and the Federal Government will continue to effect where we prioritize our future expenditures. Center School District received a performance rating of Improvement. We will continue to address student needs as identified in our results through the budgeting process.

The pressure to continue to raise student achievement to meet the requirements of state accreditation and community desires will require us to continue to invest tremendously in staff salaries for highly qualified teachers and in staff development targeted at meeting the improvement strategies we have identified through analysis of our annual student achievement results.

This pressure for increased student performance also weighs against the fact that our student population is highly at-risk and we still do not receive adequate dollars to achieve sustained growth.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The District anticipates to maintain a steady average to funded pupils during the 2025-2026 Fiscal Year; and, both the U.S. Senate and the House of Representatives passed HR 471 to continue funding counties with Forest Reserve Funds for both 2024 and 2025. This could be a substantial increase to revenue for the District in Fiscal Year 2026 from Secure Rural Schools Funds.

Staffing is currently being run at a level that is somewhat conducive to good education practices. However, with so much funding tied to soft dollars such as federal grants and SRS we will need to continue to take a close look at what level of staffing we can afford as dollars continue to go away.

As always, we expect we will continue to be asked to do more with less. Doing so will continue to put a strain on our ability to maintain required reserves and to continue on our path to a more healthy financial outlook.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Center School District 26JT, Center, Colorado 81125 or call 719-754-3442.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

BASIC FINANCIAL STATEMENTS

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 6,707,861
Accounts Receivable	38,193
Due from Other Governments	656,437
Property Tax Receivable	81,059
Prepaid Expenses	44,777
Inventory	4,602
Capital Assets	
Nondepreciable Assets	2,122,991
Depreciable Assets (Net)	29,274,564
TOTAL ASSETS	38,930,484
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	4,124,812
OPEB	118,269
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,243,081
LIABILITIES	
Accounts Payable	39,170
Accrued Salaries and Benefits	1,131,121
Accrued Interest Payable	12,436
Due to Other Governments	44,645
Unearned Grant Revenue	834,653
Long-term Liabilities	
Due Within One Year	846,423
Due in More than One Year	4,159,666
Net Pension Liability	17,027,998
Net OPEB Liability	302,126
TOTAL LIABILITIES	24,398,238
DEFERRED INFLOWS OF RESOURCES	
Pensions	1,354,569
OPEB	188,391
Unavailable Revenue - Property Tax	34,586
TOTAL DEFERRED INFLOWS OF RESOURCES	1,577,546
NET POSITION	
Net Investment in Capital Assets	29,570,631
Restricted for:	
TABOR	365,000
Preschool	114,384
Capital Projects	1,933,361
Debt Service	622,158
Unrestricted	(15,407,753)
TOTAL NET POSITION	\$ 17,197,781

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue and Changes in Net Position
Primary Government:					Primary Government
Governmental Activities:					
Instructional Program	\$ 7,777,956	\$ 19,606	\$ 2,207,939	\$ -	\$ (5,550,411)
Student Supporting Services	1,219,049	-	1,726,987	288,849	796,787
Instructional Staff Supporting Services	1,940,060	-	655,830	-	(1,284,230)
General Administration Supporting Services	817,383	-	-	-	(817,383)
School Administration Supporting Services	736,485	-	-	-	(736,485)
Business Supporting Services	206,378	-	-	-	(206,378)
Operations & Maintenance of Plant Services	1,065,860	-	-	-	(1,065,860)
Student Transportation Services	549,892	-	41,904	-	(507,988)
Central Supporting Services	554,235	-	-	-	(554,235)
Non Instructional Parent Services	67,013	-	-	-	(67,013)
Community Services	17,474	-	12,500	-	(4,974)
Food Services	768,195	29,750	571,249	-	(167,196)
Interest on Long-term Debt	212,124	-	-	-	(212,124)
Total Governmental Activities	<u>15,932,104</u>	<u>49,356</u>	<u>5,216,409</u>	<u>288,849</u>	<u>(10,377,490)</u>
Total Primary Government	<u>\$15,932,104</u>	<u>\$ 49,356</u>	<u>\$ 5,216,409</u>	<u>\$ 288,849</u>	<u>(10,377,490)</u>
General Revenues:					
Taxes:					
General Property Taxes - Net					1,568,515
Specific Ownership Tax					215,475
Delinquent Tax and Interest					215
State Equalization					6,527,428
Interest and Miscellaneous					112,420
Total General Revenues					<u>8,424,053</u>
Change in Net Position					(1,953,437)
Net Position, Beginning of Year					<u>19,151,218</u>
Net Position, End of Year					<u>\$ 17,197,781</u>

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2025

	GENERAL FUND	GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND	CAPITAL RESERVE CAPITAL PROJECTS FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	\$ 3,149,233	\$ 885,673	\$ 1,933,361	\$ 739,594	\$ 6,707,861
Accounts Receivable	36,436	-	-	1,757	38,193
Property Tax Receivable	58,697	-	-	22,362	81,059
Due from Other Funds	108,684	165	-	16,029	124,878
Due from Other Governments	125,936	434,790	-	95,711	656,437
Prepaid Expenses	44,777	-	-	-	44,777
Inventory	-	-	-	4,602	4,602
TOTAL ASSETS	\$ 3,523,763	\$ 1,320,628	\$ 1,933,361	\$ 880,055	\$ 7,657,807
LIABILITIES					
Accounts Payable	\$ 4,536	\$ 33,605	\$ -	\$ 1,029	\$ 39,170
Accrued Salaries and Benefits	865,643	251,299	-	14,179	1,131,121
Due to Other Funds	15,430	108,684	-	764	124,878
Due to Other Governments	-	44,645	-	-	44,645
Unearned Grant Revenue	7,043	826,631	-	979	834,653
TOTAL LIABILITIES	892,652	1,264,864	-	16,951	2,174,467
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	25,077	-	-	9,509	34,586
FUND BALANCE					
Nonspendable	44,777	-	-	4,602	49,379
Restricted	479,384	-	1,933,361	622,158	3,034,903
Committed	301,920	55,764	-	226,835	584,519
Assigned	1,532,479	-	-	-	1,532,479
Unassigned	247,474	-	-	-	247,474
TOTAL FUND BALANCE	2,606,034	55,764	1,933,361	853,595	5,448,754
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,523,763	\$ 1,320,628	\$ 1,933,361	\$ 880,055	\$ 7,657,807

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total governmental fund balances	\$ 5,448,754
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.	31,397,555
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.	4,243,081
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Refunding Bonds	\$ (1,826,924)
Accrued Interest Payable	(12,436)
Financed Purchase Agreement	(2,756,275)
Compensated Absences	<u>(422,890)</u>
	(5,018,525)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.	(17,330,124)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.	<u>(1,542,960)</u>
Net position of governmental activities	<u><u>\$ 17,197,781</u></u>

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2025

	GENERAL FUND	GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND	CAPITAL RESERVE CAPITAL PROJECTS FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	\$ 2,015,574	\$ 131,630	\$ 10,536	\$ 652,278	\$ 2,810,018
Intermediate Sources	12,545	19,896	-	-	32,441
State Sources	7,182,171	2,512,803	-	3,031	9,698,005
Federal Sources	76,092	800,078	-	562,033	1,438,203
TOTAL REVENUES	9,286,382	3,464,407	10,536	1,217,342	13,978,667
EXPENDITURES					
Instructional Program	5,434,511	1,002,786	-	182,549	6,619,846
Student Supporting Services	280,090	896,964	-	-	1,177,054
Instructional Staff Supporting Services	475,944	1,404,395	-	-	1,880,339
General Administration Supporting Services	903,323	21,283	-	-	924,606
School Administration Supporting Services	675,211	29,757	-	2,425	707,393
Business Administration Supporting Services	174,081	23,999	-	-	198,080
Operations and Maintenance of Plant Services	1,038,718	-	-	-	1,038,718
Student Transportation Services	466,766	11,699	-	-	478,465
Central Supporting Services	539,609	-	-	-	539,609
Non Instructional Parent Services	-	64,718	-	-	64,718
Community Services	435	2,000	-	15,039	17,474
Food Services	-	6,810	-	732,994	739,804
Facilities Acquisition and Construction	428,554	-	2,041,615	-	2,470,169
Debt Service	375,887	-	-	344,036	719,923
TOTAL EXPENDITURES	10,793,129	3,464,411	2,041,615	1,277,043	17,576,198
Excess (deficiency) of revenues over expenditures	(1,506,747)	(4)	(2,031,079)	(59,701)	(3,597,531)
OTHER FINANCING SOURCES (USES)					
Financed Purchase Proceeds	-	-	-	-	-
Sale of Capital Assets	59,000	-	-	-	59,000
Transfer from(to) Other Funds	(124,174)	-	-	124,174	-
TOTAL OTHER FINANCING SOURCES (USES)	(65,174)	-	-	124,174	59,000
Net Change in Fund Balance	(1,571,921)	(4)	(2,031,079)	64,473	(3,538,531)
FUND BALANCE, Beginning of Year	4,177,955	55,768	3,964,440	789,122	8,987,285
FUND BALANCE, End of Year	\$ 2,606,034	\$ 55,764	\$ 1,933,361	\$ 853,595	\$ 5,448,754

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ (3,538,531)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the fixed asset activity.

Capital asset additions	\$ 2,642,634	
Capital asset deletions net of accumulated depreciation	(59,900)	
Depreciation expense	(781,446)	
	1,801,288	1,801,288

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Principal payment on general obligation bonds	507,799	
Finance purchase proceeds	-	
	507,799	507,799

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		(254,047)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expense.

(469,946)

Change in net position of governmental funds		\$ (1,953,437)
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CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

Center Consolidated School District 26JT is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the District. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of District funds and acquire short-term loans.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District.

Based on the aforementioned criteria, the Center Consolidated School District 26JT has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

The District reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Governmental Designated Purpose Grants Fund*** is used to record financial transactions for grants received for designated programs funded by federal, state, or local governments.
- The ***Capital Reserve Capital Projects Fund*** is used to account for all resources available for acquiring capital sites, buildings, and equipment.

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with maturity of three months or less.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The School District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Receivables/Payables From Other District Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

Inventories

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values.

USDA Commodities

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as an expenditure.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital Assets, which include land, land improvements, buildings, equipment, vehicles, and construction in progress are reported in the applicable governmental activities columns in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life exceeding one year. Capital 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	15-60
Buildings	6-80
Machinery & Equipment	5-20

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Compensated Absences

Teachers, administrative staff, and full time classified staff of the District can accumulate up to 60 days of sick leave. Upon retirement from the District, a teacher will receive the certified substitute teacher's rate per day for each sick day accumulated. For departures other than retirement, the teacher will be paid for accumulated sick days up to 36 days at 50% of the substitute teacher rate, and at 75% of the substitute teacher rate for the remaining accumulated days.

Unearned Grant Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applied to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditures) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that period.

Certain amounts related to pensions and OPEB must be deferred.

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form, such as inventory and prepaid insurance.
- *Restricted Fund Balance*- restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*- amounts that can only be used for specific purposes as a result of constraints imposed by resolution of the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- amounts that are available for any purpose; these amounts are reported only in the General Fund.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Fund balance categories at June 30, 2025 were made up of the following:

	Governmental				Total
	General	Designated	Capital Reserve	Nonmajor	Governmental
	Fund	Purpose Grants	Capital Projects	Funds	Funds
Nonspendable					
Prepaid Expense/Inventory	\$ 44,777	\$ -	\$ -	\$ 4,602	\$ 49,379
Restricted					
TABOR 3% Reserve	365,000	-	-	-	365,000
Preschool	114,384	-	-	-	114,384
Capital Projects	-	-	1,933,361	-	1,933,361
Debt Service	-	-	-	622,158	622,158
	<u>479,384</u>	<u>-</u>	<u>1,933,361</u>	<u>622,158</u>	<u>3,034,903</u>
Committed					
Grants	-	55,764	-	-	55,764
Pupil Activity Fund	-	-	-	177,772	177,772
Food Services	-	-	-	49,063	49,063
Multi-Year Obligation	301,920	-	-	-	301,920
	<u>301,920</u>	<u>55,764</u>	<u>-</u>	<u>226,835</u>	<u>584,519</u>
Assigned					
Designated for					
Subsequent Years	1,532,479	-	-	-	1,532,479
Unassigned	<u>247,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,474</u>
Total Fund Balance	<u>\$2,606,034</u>	<u>\$ 55,764</u>	<u>\$ 1,933,361</u>	<u>\$ 853,595</u>	<u>\$ 5,448,754</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Encumbrances

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Use of Estimates

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

New Accounting Pronouncements

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Center Consolidated School District 26JT follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than June 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of Education adopted supplemental appropriations during fiscal year 2025.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget if applicable.

NOTE 3 CASH AND DEPOSITS

At June 30, 2025, the District's cash, deposits, and investments were reported in the financial statements as follows:

Cash in Bank	\$ 6,134,339
Cash on Hand	100
Cash with Fiscal Agent	<u>573,422</u>
Total Cash and Deposits	<u><u>\$ 6,707,861</u></u>

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$6,950,644 of the District's bank balance of \$7,200,644 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

NOTE 4 ACCOUNTS RECEIVABLE

Governmental activities accounts receivable at June 30, 2025, consisted of the following:

General Fund	\$ 36,436
Nonmajor Funds	1,757
	<u>\$ 38,193</u>

NOTE 5 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of June 30, 2025, the District had \$653,418 due from federal, state, and local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables and Payables

The District reports interfund balances between some of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date. Interfund receivable and payable balances at June 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Governmental Des. Purpose Grants Fund	\$ 108,684
Food Service Fund	General Fund	1,356
Student Activity Fund	General Fund	14,074
Student Activity Fund	Food Service Fund	599
Governmental Des. Purpose Grants Fund	Student Activity Fund	165
		<u>\$ 124,878</u>

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Interfund Transfers

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

Transfer In	Transfer Out	Amount
Food Service Fund	General Fund	\$ 90,000
Activity Fund	General Fund	34,174
		<u>\$ 124,174</u>

The General Fund transferred funds into the Food Service Fund and into the Activity Fund to subsidize these funds.

NOTE 7 CAPITAL ASSETS

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

	Balance 06/30/2024	Additions	Deletions	Balance 06/30/2025
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 69,214	\$ -	\$ -	\$ 69,214
Construction in Progress	1,841,085	2,405,391	2,192,699	2,053,777
Total capital assets not being depreciated	<u>1,910,299</u>	<u>2,405,391</u>	<u>2,192,699</u>	<u>2,122,991</u>
Capital assets being depreciated				
Land Improvements	2,517,671	-	13,006	2,504,665
Buildings	31,300,125	2,253,662	-	33,553,787
Equipment	3,811,886	176,280	79,400	3,908,766
Infrastructure	126,027	-	-	126,027
Total capital assets being depreciated	<u>37,755,709</u>	<u>2,429,942</u>	<u>92,406</u>	<u>40,093,245</u>
Less accumulated depreciation for:				
Land Improvements	1,526,788	122,964	13,006	1,636,746
Buildings	5,536,086	504,367	-	6,040,453
Equipment	2,932,911	148,849	19,500	3,062,260
Infrastructure	73,956	5,266	-	79,222
Total capital assets being depreciated	<u>10,069,741</u>	<u>781,446</u>	<u>32,506</u>	<u>10,818,681</u>
Total Capital Assets being depreciated, net	<u>27,685,968</u>	<u>1,648,496</u>	<u>59,900</u>	<u>29,274,564</u>
Governmental Activities, net	<u>\$ 29,596,267</u>	<u>\$ 4,053,887</u>	<u>\$ 2,252,599</u>	<u>\$ 31,397,555</u>

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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

Governmental activities:	
Instructional Program	\$ 661,634
General Administration Supporting Services	38,172
Operations & Maintenance of Plant Services	8,732
Student Transportation Services	59,498
Food Services	13,410
Total depreciation expense - governmental activities	<u><u>\$ 781,446</u></u>

NOTE 8 ACCRUED SALARIES AND BENEFITS

The teachers, administrators, and the administrative staff are employed under nine, ten, and eleven month contracts. All District employees are paid on a twelve-month basis; therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$1,131,121.

NOTE 9 LONG-TERM LIABILITIES

Changes in Long-Term Debt

Long-term liability balances for the year ended June 30, 2025, were as follows:

	Balance 06/30/2024	Additions	Deletions	Balance 06/30/2025	Due Within One Year
Governmental Activities					
G.O. Bonds Payable	\$ 2,090,998	\$ -	\$ 264,074	\$ 1,826,924	\$ 274,854
Financed Purchase Agreement	3,000,000		243,725	2,756,275	254,646
Compensated Absences	168,843	254,047	-	422,890	316,923
Total	<u><u>\$ 5,259,841</u></u>	<u><u>\$ 254,047</u></u>	<u><u>\$ 507,799</u></u>	<u><u>\$ 5,006,089</u></u>	<u><u>\$ 846,423</u></u>

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

General Obligation Bonds

On December 16, 2010, the District issued general obligation bonds series 2010D-F in the amount of \$4,722,233 with an interest rate of 4.082% to be paid in full December 1, 2030. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction of a new school.

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The annual debt service for the General Obligation Bonds is as follows:

	Principal	Interest	Totals
FY2026	\$ 274,854	\$ 68,963	\$ 343,817
FY2027	286,073	57,514	343,587
FY2028	297,750	45,598	343,348
FY2029	309,905	33,196	343,101
FY2030	322,555	20,288	342,843
FY2031	335,787	6,852	342,639
	<u>\$ 1,826,924</u>	<u>\$ 232,411</u>	<u>\$ 2,059,335</u>

Financed Purchase Agreement

The District entered into a \$3,000,000 financed purchased agreement with San Luis Valley Federal Bank on May 1, 2024, payable in semi-annual installments of \$187,943 beginning on November 1, 2024 from the General Fund, at 4.5% interest, to finance the purchase of a standalone classroom adjacent to the existing K-12 building. The final payment is due May 1, 2034. The agreement is not collateralized and the principal balance at June 30, 2025 was \$2,756,275.

The future minimum payments are as follows:

	Principal	Interest	Totals
FY2026	\$ 254,646	\$ 121,238	\$ 375,884
FY2027	266,234	109,653	375,887
FY2028	278,349	97,538	375,887
FY2029	291,016	84,871	375,887
FY2030	304,259	71,628	375,887
FY2031-2034	1,361,771	141,614	1,503,385
	<u>\$ 2,756,275</u>	<u>\$ 626,542</u>	<u>\$ 3,382,817</u>

NOTE 10 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

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	July 1, 2024 Through June 30, 2025
Employer Contribution Rate	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 \$1,587,185, for the year ended June 30, 2025.

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

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

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

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At June 30, 2025, the District reported a liability of \$17,027,998 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Center Consolidated School District's proportionate share of the net position liability	\$ 17,027,998
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Center Consolidated School District	1,529,385
Total	<u>\$ 18,557,383</u>

At December 31, 2024, the District's proportion was 0.0987 percent, which was a decrease of 0.0104 percent from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$571,174 and revenue of \$139,588 for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 964,270	\$ -
Changes of assumptions or other inputs	127,661	-
Net difference between projected and actual earnings on pension plan investments	321,271	-
Changes in proportionate share	1,877,595	1,354,569
Contributions subsequent to the measurement date	834,015	-
Total	<u>\$ 4,124,812</u>	<u>\$ 1,354,569</u>

\$834,015 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ 1,644,227
2027	1,194,041
2027	(672,911)
2028	(229,130)
2029	-
Thereafter	-

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40 – 11.00%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 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 Rate	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Employee	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

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

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

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

	Mortality Rate	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. 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 rate of return assumption of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 23,086,019	\$ 17,027,998	\$ 11,953,559

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

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

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

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.

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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.

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 \$79,437 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 \$302,126 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 proportion was 0.0632%, which was a decrease of 0.0021% from its proportion measured as of December 31, 2023.

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For the year ended June 30, 2025 the District recognized OPEB (income) expense of (\$101,229). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 66,643
Net difference between projected and actual earnings on		
OPEB plan investments	1,024	-
Changes of assumptions or other inputs	3,464	96,574
Changes in proportion and differences between contributions		
recognized and proportionate share of contributions	72,039	25,174
Contributions subsequent to the measurement date	41,742	-
Total	<u>\$ 118,269</u>	<u>\$ 188,391</u>

\$41,742 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	\$ (33,404)
2027	(8,042)
2028	(29,163)
2029	(16,873)
2030	(14,131)
Thereafter	(10,251)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

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

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

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853
Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	\$ 7,341	\$ 6,073	\$ 4,764	\$ 3,941	\$ 7,933	\$ 6,563
75	\$ 8,110	\$ 6,385	\$ 5,262	\$ 4,143	\$ 8,763	\$ 6,900

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

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

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

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

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

Year	PERACare Medicare Plans	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.

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

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

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

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

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

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

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

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

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

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

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

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

The long-term expected return on plan assets is 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.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
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Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate ¹	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate ¹	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate ¹	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 293,985	\$ 302,125	\$ 311,337

¹For the January 1, 2025, plan year.

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 370,259	\$ 302,125	\$ 243,385

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.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. For the year ended June 30, 2025, program members contributed \$21,364, for the Voluntary Investment Program. The District does not make matching contributions to this plan.

NOTE 13 JOINT VENTURES AND RELATED PARTIES

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

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

San Luis Valley Board of Cooperative Educational Services (BOCES)

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of the BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is approximately 7% at June 30, 2025. Complete separate financial statements may be obtained from BOCES.

Colorado School Districts' Self-Insurance Pool

The District belongs to the Colorado School Districts' Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of general liability, errors and omissions, automobile liability, auto physical damage, auto personal injury protection, real and personal property, crime, and other coverage. The Board of Directors is composed of eight persons, several of who are appointed by the Board of Directors of CASB and the Executive Director of CASB. The pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
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June 30, 2025

subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as expenditures in the General Fund. The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2025. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

Center Viking Youth Club

The Center Viking Youth Club is an organization that provides an after-school and summer programming to community members. The District and the Center Viking Youth Club partner to provide these services. The District provides the facilities to the Center Viking Youth Club at no cost and approximately two employees of the District provide support and after school services in partnership with the Center Viking Youth Club. During fiscal year 2025, the District reimbursed the Center Viking Youth Club approximately \$45,927 in wages for after school services provided by Center Viking Youth Club.

NOTE 14 TABOR EMERGENCY RESERVE

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

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

On November 3, 1998 voters approved a ballot which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during FY 1998 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending. This Emergency Reserve has been presented as restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The District is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 15 COMMITMENTS AND CONTINGENCIES

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Construction – New Auxiliary Gym and Classroom Projects

In fiscal year 2025, the District began construction on a new auxiliary gym and four new classroom projects with construction estimated to be completed in FY 2026. Estimated total construction cost is \$3.9 million. Construction costs incurred through June 30, 2025 were \$2,053,777. The District is funding the project with a \$3,000,000 financed purchase agreement and a general fund transfer for \$1,000,000.

NOTE 16 RISK MANAGEMENT

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

REQUIRED SUPPLEMENTARY INFORMATION

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources	\$ 1,952,964	\$ 1,986,906	\$ 2,015,574	\$ 28,668
Intermediate Sources	12,618	12,618	12,545	(73)
State Sources	7,066,105	7,222,723	7,182,171	(40,552)
Federal Sources	20,000	20,051	76,092	56,041
TOTAL REVENUES	9,051,687	9,242,298	9,286,382	44,084
EXPENDITURES				
Instructional Program	5,069,275	5,876,318	5,434,511	441,807
Student Supporting Services	206,673	384,559	280,090	104,469
Instructional Staff Supporting Services	353,707	636,780	475,944	160,836
General Administration Supporting Services	734,563	869,163	903,323	(34,160)
School Administration Supporting Services	668,818	698,913	675,211	23,702
Business Administration Supporting Services	186,677	200,017	174,081	25,936
Operations and Maintenance of Plant Services	1,253,190	1,269,646	1,038,718	230,928
Student Transportation Services	353,368	556,636	466,766	89,870
Central Supporting Services	581,871	542,878	539,609	3,269
Non Instructional Parent Services	-	-	-	-
Community Services	6,643	500	435	65
Food Services	-	-	-	-
Facilities Acquisition and Construction	800,000	428,554	428,554	-
Debt Service	375,852	375,852	375,887	(35)
Reserves	559,457	1,459,282	-	1,459,282
TOTAL EXPENDITURES	11,150,094	13,299,098	10,793,129	2,505,969
Excess (deficiency) of revenues over expenditures	(2,098,407)	(4,056,800)	(1,506,747)	2,550,053
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	59,000	59,000
Transfer (To) From Other Funds	(1,121,157)	(121,157)	(124,174)	(3,017)
TOTAL OTHER FINANCING SOURCES (USES)	(1,121,157)	(121,157)	(65,174)	55,983
Net Change in Fund Balance	(3,219,564)	(4,177,957)	(1,571,921)	2,606,036
Fund Balance, Beginning of Year	3,219,564	4,177,957	4,177,955	(2)
Fund Balance, End of Year	\$ -	\$ -	\$ 2,606,034	\$ 2,606,034

Notes to Required Supplementary Information

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ -	\$ 198,144	\$ 131,630	\$ (66,514)
Intermediate Sources	-	14,663	19,896	5,233
State Sources	-	2,685,058	2,512,803	(172,255)
Federal Sources	393,184	1,064,683	800,078	(264,605)
TOTAL REVENUES	393,184	3,962,548	3,464,407	(498,141)
EXPENDITURES				
Instructional Program	283,489	1,867,292	1,002,786	864,506
Student Supporting Services	24,918	784,063	896,964	(112,901)
Instructional Staff Supporting Services	30,636	1,223,767	1,404,395	(180,628)
General Administration Supporting Services	18,931	4,083	21,283	(17,200)
School Administration Supporting Services	35,210	35,158	29,757	5,401
Business Administration Supporting Services	-	-	23,999	(23,999)
Operations and Maintenance of Plant Services	-	400	-	400
Student Transportation Services	-	10,905	11,699	(794)
Central Supporting Services	-	-	-	-
Non Instructional Parent Services	-	400	64,718	(64,318)
Community Services	-	36,480	2,000	34,480
Food Service	-	-	6,810	(6,810)
Facilities Acquisition and Construction	-	-	-	-
Reserves	-	-	-	-
TOTAL EXPENDITURES	393,184	3,962,548	3,464,411	498,137
Net Change in Fund Balance	-	-	(4)	(4)
Fund Balance, Beginning of Year	-	-	55,768	55,768
Fund Balance, End of Year	\$ -	\$ -	\$ 55,764	\$ 55,764

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0987%	0.1091%	0.0783%	0.0917%	0.0914%	0.0856%	0.0871%	0.0947%	0.0954%	0.0979%
District's proportionate share of the net pension liability (asset)	\$ 17,027,998	\$ 19,286,085	\$ 14,254,409	\$ 10,673,510	\$ 13,813,436	\$ 12,781,679	\$ 15,427,638	\$ 30,627,627	\$ 28,399,530	\$ 14,976,078
State's proportionate share of the net pension liability (asset) associated with the District	1,529,385	422,887	4,153,878	1,223,582	-	1,621,193	2,109,515	-	-	-
Total	<u>\$ 18,557,383</u>	<u>\$ 19,708,972</u>	<u>\$ 18,408,287</u>	<u>\$ 11,897,092</u>	<u>\$ 13,813,436</u>	<u>\$ 14,402,872</u>	<u>\$ 17,537,153</u>	<u>\$ 30,627,627</u>	<u>\$ 28,399,530</u>	<u>\$ 14,976,078</u>
District's covered payroll	\$ 7,627,460	\$ 7,210,052	\$ 6,073,014	\$ 5,732,057	\$ 4,891,397	\$ 5,028,645	\$ 4,794,633	\$ 4,368,996	\$ 4,276,696	\$ 4,374,182
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223%	267%	235%	186%	282%	254%	322%	701%	664%	342%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.1%	59.2%

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,587,185	\$ 1,515,690	\$ 1,357,596	\$ 1,161,778	\$ 1,069,494	\$ 960,436	\$ 947,014	\$ 878,622	\$ 773,210	\$ 773,605
Contributions in relation to the contractually required contribution	(1,587,185)	(1,515,690)	(1,357,596)	(1,161,778)	(1,069,494)	(960,436)	(947,014)	(878,622)	(773,210)	(773,605)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,787,947	\$ 7,437,135	\$ 6,661,399	\$ 5,843,939	\$ 5,379,734	\$ 4,955,752	\$ 4,950,412	\$ 4,650,917	\$ 4,205,482	\$ 4,361,368
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.89%	18.39%	17.74%

See Notes to the Required Supplementary Information.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.063%	0.065%	0.060%	0.060%	0.053%	0.056%	0.057%	0.054%	0.054%
District's proportionate share of the net OPEB liability (asset)	\$ 302,125	\$ 465,681	\$ 485,904	\$ 516,388	\$ 502,304	\$ 628,609	\$ 770,389	\$ 699,405	\$ 702,995
District's covered payroll	\$ 7,627,460	\$ 7,210,052	\$ 6,073,014	\$ 5,732,057	\$ 4,891,397	\$ 5,028,645	\$ 4,794,633	\$ 4,368,996	\$ 4,276,696
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	4%	6%	8%	9%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	20.07%

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

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 79,437	\$ 75,859	\$ 67,946	\$ 59,608	\$ 54,873	\$ 50,549	\$ 50,494	\$ 47,439	\$ 42,896	\$ 44,486
Contributions in relation to the contractually required contribution	(79,437)	(75,859)	(67,946)	(59,608)	(54,873)	(50,549)	(50,494)	(47,439)	(42,896)	(44,486)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,787,947	\$ 7,437,135	\$ 6,661,399	\$ 5,843,939	\$ 5,379,734	\$ 4,955,752	\$ 4,950,412	\$ 4,650,917	\$ 4,205,482	\$ 4,361,368
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%	1.02%

See Notes to the Required Supplementary Information.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

NOTE 1 PENSION PLAN - COLORADO PERA SCHDTF

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024 – no changes

2023

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022

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

2021

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

2020

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

2019

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- AI cap is lowered from 1.50% per year to 1.25% per year.

2018

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

2017 – no changes

2016 – no changes

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

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023 – no changes

2022 – no changes

2021

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

2020

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

2019

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

2018

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

2017

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

2016

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

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

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

Subsequent Events

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

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

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

2023

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033 and \$24,967, respectively.

2022

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

2021 – no changes

2020 – no changes

2019 – no changes

2018 – no changes

2017

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

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

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 – no changes

2022

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

2021 – no changes

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

2020

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

2019 – no changes

2018 – no changes

2017 – no changes

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

SUPPLEMENTARY INFORMATION

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

**CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

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

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report resources that are restricted, committed or assigned to expenditure for principal and interest. Debt Service Funds should be used to report resources if legally mandated.

Bond Redemption Fund - Used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved financed-purchase debt.

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2025

	SPECIAL REVENUE FUNDS			
	PUPIL ACTIVITY FUND	FOOD SERVICE FUND	BOND REDEMPTION FUND	TOTAL NONMAJOR FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 164,293	\$ 1,879	\$ 573,422	\$ 739,594
Accounts Receivable	-	1,757	-	1,757
Property Tax Receivable	-	-	22,362	22,362
Due from Other Funds	14,673	1,356	-	16,029
Due from Other Governments	-	58,849	36,862	95,711
Inventory	-	4,602	-	4,602
TOTAL ASSETS	\$ 178,966	\$ 68,443	\$ 632,646	\$ 880,055
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 1,029	\$ -	\$ -	\$ 1,029
Accrued Salaries and Benefits	-	14,179	-	14,179
Due to Other Funds	165	599	-	764
Due to Other Governments	-	-	-	-
Unearned Grant Revenue	-	-	979	979
TOTAL LIABILITIES	1,194	14,778	979	16,951
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	-	-	9,509	9,509
FUND BALANCE				
Nonspendable	-	4,602	-	4,602
Restricted	-	-	622,158	622,158
Committed	177,772	49,063	-	226,835
TOTAL FUND BALANCE	177,772	53,665	622,158	853,595
INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 178,966	\$ 68,443	\$ 632,646	\$ 880,055

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2025

	SPECIAL REVENUE FUNDS			TOTAL
	PUPIL ACTIVITY FUND	FOOD SERVICE FUND	BOND REDEMPTION FUND	NONMAJOR FUNDS
REVENUES				
Local Sources	\$ 185,896	\$ 29,971	\$ 436,411	\$ 652,278
State Sources	-	3,031	-	3,031
Federal Sources	-	562,033	-	562,033
TOTAL REVENUES	185,896	595,035	436,411	1,217,342
EXPENDITURES				
Instructional Program	182,549	-	-	182,549
School Administration Supporting Services	2,425	-	-	2,425
Community Services	15,039	-	-	15,039
Food Services	-	732,994	-	732,994
Debt Service	-	-	344,036	344,036
TOTAL EXPENDITURES	200,013	732,994	344,036	1,277,043
Excess (deficiency) of revenues over expenditures	(14,117)	(137,959)	92,375	(59,701)
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	34,174	90,000	-	124,174
TOTAL OTHER FINANCING SOURCES (USES)	34,174	90,000	-	124,174
Net Change in Fund Balance	20,057	(47,959)	92,375	64,473
Fund Balance, Beginning of Year	157,715	101,624	529,783	789,122
Fund Balance, End of Year	\$ 177,772	\$ 53,665	\$ 622,158	\$ 853,595

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUPIL ACTIVITY FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources				
Pupil Activities	\$ 142,681	\$ 142,681	\$ 185,896	\$ 43,215
TOTAL REVENUES	142,681	142,681	185,896	43,215
EXPENDITURES				
Instructional Program	145,593	145,593	182,549	(36,956)
Student Supporting Services	1,229	1,229	-	1,229
School Supporting Services	1,500	1,500	2,425	(925)
Operations and Maintenance of Plant Services	-	-	-	-
Food Services	-	-	-	-
Community Services	15,288	15,288	15,039	249
Reserves	138,495	156,786	-	156,786
TOTAL EXPENDITURES	302,105	320,396	200,013	120,383
Excess (deficiency) of revenues over expenditures	(159,424)	(177,715)	(14,117)	163,598
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	20,000	20,000	34,174	14,174
TOTAL OTHER FINANCING SOURCES (USES)	20,000	20,000	34,174	14,174
Net Change in Fund Balance	(139,424)	(157,715)	20,057	177,772
Fund Balance, Beginning of Year	139,424	157,715	157,715	-
Fund Balance, End of Year	\$ -	\$ -	\$ 177,772	\$ 177,772

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources	\$ 23,697	\$ 23,697	\$ 29,971	\$ 6,274
State Sources	7,406	7,406	3,031	(4,375)
Federal Sources	539,104	511,505	562,033	50,528
TOTAL REVENUES	570,207	542,608	595,035	52,427
EXPENDITURES				
Supporting Services				
Food Services				
Salaries	272,321	264,325	264,379	(54)
Fringe Benefits	119,666	119,666	130,415	(10,749)
Purchased Services	9,250	9,250	8,357	893
Food and Commodities	348,849	348,849	327,237	21,612
Other Operating	(35,304)	3,300	2,606	694
Reserves	-	-	-	-
TOTAL EXPENDITURES	714,782	745,390	732,994	12,396
Excess (deficiency) of revenues over expenditures	(144,575)	(202,782)	(137,959)	64,823
OTHER FINANCING SOURCES (USES)				
Transfer From Other Funds	101,157	101,157	90,000	(11,157)
TOTAL OTHER FINANCING SOURCES (USES)	101,157	101,157	90,000	(11,157)
Net Change in Fund Balance	(43,418)	(101,625)	(47,959)	53,666
Fund Balance, Beginning of Year	43,418	101,625	101,624	(1)
Fund Balance, End of Year	\$ -	\$ -	\$ 53,665	\$ 53,665

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources	\$ 359,247	\$ 375,626	\$ 436,411	\$ 60,785
Other	-	-	-	-
TOTAL REVENUES	359,247	375,626	436,411	60,785
EXPENDITURES				
Debt Service	344,536	360,915	344,036	16,879
Reserves	308,285	544,494	-	544,494
TOTAL EXPENDITURES	652,821	905,409	344,036	561,373
Net Change in Fund Balance	(293,574)	(529,783)	92,375	622,158
Fund Balance, Beginning of Year	293,574	529,783	529,783	-
Fund Balance, End of Year	\$ -	\$ -	\$ 622,158	\$ 622,158

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL RESERVE CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources	\$ 4,000	\$ 4,000	\$ 10,536	\$ 6,536
TOTAL REVENUES	<u>4,000</u>	<u>4,000</u>	<u>10,536</u>	<u>6,536</u>
EXPENDITURES				
Facilities Acquisition and Construction	3,973,880	3,968,440	2,041,615	1,926,825
Reserves	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	<u>3,973,880</u>	<u>3,968,440</u>	<u>2,041,615</u>	<u>1,926,825</u>
Excess (deficiency) of revenues over expenditures	(3,969,880)	(3,964,440)	(2,031,079)	1,933,361
OTHER FINANCING SOURCES (USES)				
Finance Purchase Proceeds	-	-	-	-
Transfer From Other Funds	1,000,000	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,969,880)	(3,964,440)	(2,031,079)	1,933,361
Fund Balance, Beginning of Year	<u>2,969,880</u>	<u>3,964,440</u>	<u>3,964,440</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,933,361</u>	<u>\$ 1,933,361</u>

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

SINGLE AUDIT SECTION

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditure(s)</i>
<i>Child Nutrition Cluster</i>			
U.S. Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 4553	\$ 110,831
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	30,909
National School Lunch Program	10.555	Colorado Department of Education, 4555	395,329
Summer Food Service Program for Children	10.559	Colorado Department of Education, 4559	13,572
<i>Total Child Nutrition Cluster</i>			550,641
<i>Forest Service Schools and Roads Cluster</i>			
U.S. Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and Saguache County Treasurer, 7665	72,616
<i>Total Forest Service Schools and Roads Cluster</i>			72,616
<i>Total All Clusters</i>			623,257
<i>Other Programs</i>			
U.S. Department of Agriculture			
Child and Adult Care Food Program	10.558	Colorado Department of Education, 4558	11,392
Child Nutrition Discretionary Grants Limited Availability	10.579	Colorado Department of Education, 5579	6,810
<i>Total U.S. Department of Agriculture</i>			18,202
U.S. Department of Justice			
STOP School Violence	16.839	Colorado Department of Education, 7839	30,000
<i>Total U.S. Department of Justice</i>			30,000
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010	279,668
Career and Technical Education -- Basic Grants to States	84.048	Colorado Community Colleges, 4048	2,970
Special Education - State Personnel Development	84.323	Colorado Department of Education, 5323	22,641

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditure(s)</i>
Rural Education	84.358	Colorado Department of Education, 6358	21,282
English Language Acquisition State Grants	84.365	Colorado Department of Education, 4365/7365	18,414
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	35,290
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4421/4451	98,389
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4438/4449	281,584
<i>Total U.S. Department of Education</i>			<u>760,238</u>
U.S. Department of Health and Human Services Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Education, 7354	6,000
<i>Total U.S. Department of Health and Human Services</i>			<u>6,000</u>
<i>Total Other Programs</i>			<u>814,440</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 1,437,697</u></u>

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Center Consolidated School District 26JT did not elect to use the 15-percent or 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance for the year ended June 30, 2025. In addition, the District did not pass-through federal funds to subrecipients.

NOTE 2: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Center Consolidated School District 26JT under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Center Consolidated School District 26JT, it is not intended to and does not present the financial position or changes in net position of Center Consolidated School District 26JT.

NOTE 3: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Center Consolidated School District 26JT
Center, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Center Consolidated School District 26JT (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 16, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Certified Public Accountants

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

Purpose of this Report

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

January 16, 2025

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Center Consolidated School District 26JT
Center, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Center Consolidated School District 26JT's (the District) compliance with the types of compliance requirements identified as subject to audit described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Certified Public Accountants

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

January 16, 2025

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, and 10.559	Child Nutrition Cluster
10.665	Forest Service Schools and Roads Cluster

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

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

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

CENTER CONSOLIDATED SCHOOL DISTRICT 26JT

CDE COMPLIANCE SECTION



Colorado Department of Education
Auditors Integrity Report
District: 2810 - Center 26 JT
Fiscal Year 2024-25
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,047,663	8,845,473	10,401,486	2,491,650
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	130,294	375,735	391,645	114,384
Sub- Total	4,177,956	9,221,209	10,793,131	2,606,034
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	101,625	685,035	732,996	53,664
22 Govt Designated-Purpose Grants Fund	55,767	3,464,408	3,464,408	55,767
23 Pupil Activity Special Revenue Fund	157,715	220,069	200,012	177,771
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	529,783	436,411	344,036	622,158
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	3,964,440	10,536	2,041,615	1,933,361
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	8,987,286	14,037,668	17,576,198	5,448,756
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