

**CHEYENNE MOUNTAIN SCHOOL
DISTRICT 12**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cheyenne Mountain School District 12

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 Cheyenne Mountain School District 12, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Cheyenne Mountain School District 12'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 Cheyenne Mountain School District 12, as of June 30, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cheyenne Mountain School District 12 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 14 to the financial statements, Cheyenne Mountain School District 12 implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cheyenne Mountain School District 12's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 Cheyenne Mountain School District 12'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 Cheyenne Mountain School District 12's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cheyenne Mountain School District 12's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado

December 5, 2025

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

As management of Cheyenne Mountain School District 12 (the District) in Colorado Springs, Colorado, we offer readers of the District’s report of independent certified public accountants this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

The District’s total assets for governmental activities, including capital assets (land, buildings and equipment) exceeded liabilities, including long term debt and net pension liability, in fiscal year 2024-2025 by \$7,175,574 (net position). This is an increase of \$5,775,026 over last year’s net position of \$1,400,548. The net position is a result of the implementation of the Governmental Accounting Standards Board (GASB) Statement 68 which requires all entities contributing to the Public Employees Retirement Association (PERA) to record their share of the net pension liability on the Statement of Net Position beginning in the 2014-2015 fiscal year. More information on the GASB Statement 68 can be found in the notes to the financial statements.

The overall ending fund balance for the District’s governmental funds is \$41,794,148, which is an increase of \$3,428,484 from the previous year.

Outstanding long-term debt decreased to \$117,749,068 from \$126,899,801 including \$2,824,165 due within one year. The PERA net pension liability decreased to \$71,340,012 in FY 25, a decrease of \$8,689,107 from the previous year.

Overview of the Financial Statements

Management’s discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Statements

The government-wide financial statements are designed to provide readers with information about the District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (i.e., uncollected taxes and retiree's sick leave payable).

For the fiscal year 2024-2025, all of the district's activities are reported under the Governmental Activities on the Statement of Net Position.

- **Governmental Activities:** Includes all district activity such as instruction, pupil activity, transportation, maintenance and operation, administration, instructional support and food service.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. All District funds can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) cash and other financial assets that can readily be converted into cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the three major governmental funds, the General Fund (combined with the Risk Management Fund), the Bond Redemption Fund, and Capital Projects Fund. Data for the other three governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds (Food Service Fund, Pupil Activity Fund, and Land Fund) is provided in the form of combining statements elsewhere in the report.

- **Proprietary funds:** The District maintains two Insurance Reserve Funds. The District's self-insured dental plan and the District's partially self-funded health insurance plan. The activity in these funds is comprised of revenue from premiums and expenses due to claim settlements.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's annual appropriated budgets with comparison statements that demonstrate compliance with budget for the general fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of the District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. Sixty percent of the District's assets are its investment in capital assets (i.e., land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the District’s net position as of June 30, 2025 (in millions):

TABLE 1 – CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2025	2024
Current Assets	\$ 48,838,883	\$ 45,720,460
Capital Assets – Net	72,360,178	72,677,693
Total Assets	<u>121,199,061</u>	<u>118,398,153</u>
Deferred Outflows	<u>15,580,444</u>	<u>23,549,480</u>
Current Liabilities	6,100,775	6,423,327
Long-Term Liabilities	117,749,068	129,911,851
Total Liabilities	<u>123,849,843</u>	<u>136,335,178</u>
Deferred Inflows	<u>5,754,088</u>	<u>4,211,907</u>
Net Investment in Capital Assets	31,328,428	28,569,870
Restricted Net Position	10,101,056	8,546,254
Unrestricted Net Position	<u>(34,253,910)</u>	<u>(35,715,576)</u>
Total Net Position (Deficit)	<u>\$ 7,175,574</u>	<u>\$ 1,400,548</u>

Condensed Statement of Activities:

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES
Governmental Activities

	2025	2024
Program Revenues:		
Charges for Services	\$ 2,614,424	\$ 2,592,364
Operating Grants	5,526,204	6,121,396
Capital Grants	-	-
Total Program Revenues	<u>8,140,628</u>	<u>8,713,760</u>
General Revenues:		
Taxes	33,323,808	32,206,408
State Equalization	23,212,223	20,752,161
Gains and Contr. (not restricted)	279,578	484,689
Investment Income	910,571	822,869
Gain (Loss) on Disposal	-	10,600
Miscellaneous	286,345	186,182
Total General Revenues	<u>57,012,525</u>	<u>54,462,909</u>
Total Revenues	<u>65,153,153</u>	<u>63,176,669</u>
Expenses		
Instruction	33,757,688	35,815,516
Supporting Services	23,494,383	24,139,004
Other Services	1,739,852	1,522,044
Interest on Long Term Debt	386,204	412,714
Total Expenses	<u>59,378,127</u>	<u>61,889,278</u>
Change in Net Position	5,775,026	1,287,391
Net Position – Beginning	<u>386,204</u>	<u>113,157</u>
Net Position – Ending	<u>\$ 7,175,574</u>	<u>\$ 1,400,548</u>

Governmental Activities

Total assets for FY 24-25 are \$121,199,061, which is an increase of \$2,800,908 from the previous fiscal year.

Total liabilities decreased by approximately \$12.5 million over the previous year primarily due to the district's net pension liability. In FY 2015 GASB 68 was implemented which requires school districts to record net pension liability. As of June 30, 2024, the net pension liability was \$80,029,119 and as of June 30, 2025, the net pension liability decreased to \$71,340,012.

The primary source of operating revenue for school districts in Colorado comes from the School Finance Act of 1994, as amended (the Act). Under the Act the District received \$10,789.97 per funded pupil in fiscal year 2025, a 6.9% increase from fiscal year 2024. In fiscal year 2025 the funded pupil count was 3,614.2, which was a decrease of 6.8% over the previous year's funded pupil count. Funding for the Act comes from property taxes, specific ownership tax, and state equalization. The District received approximately 59.5% of this funding from state equalization. The remaining amount came from property taxes and specific ownership tax. The District's 2024 assessed valuation of \$534.9 million represented a .13% decrease from 2025, and it generated approximately \$29.4 million in fiscal year 2025 to include a share of funding determined by the Act plus budget overrides and bond redemption payments authorized by local voters.

Financial Analysis of the District's Funds

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

At the end of fiscal year 2025, the District's governmental funds reported combined ending fund balances of \$41.8 million, an increase of \$3.4 million in comparison with the prior fiscal year. The General Fund (which includes the Risk Management Fund) had an overall increase in fund balance of \$504,816. This increase is a combination of a loss in the General Fund of \$102,556 and gain in the Risk Management fund of \$607,372. The Bond Redemption Fund had a increase in fund balance of \$1,439,425 and the Capital Projects Fund increased by \$1,272,588. The other funds (Food Service Fund, Pupil Activity Fund and Land Fund) had a combined increase of \$211,655.

The general fund is the primary operating fund of the District. At year-end, the General Fund (which includes the Risk Management Fund) maintained a balance of \$24.6 million, equal to 47% of the District's fiscal year expenditures and allocations to other funds. In 2024 the general fund maintained a balance of \$24.1 million, equal to 48.9% of fiscal year expenditures and allocations.

General Fund Budget Variance

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

The general fund expenditure variance between original budget and final budget is a result of budgeted (appropriated) but not expended contingency and emergency reserve funds, which include state-mandated reserves.

Proprietary Funds

The proprietary funds consist of the District's two Insurance Reserve Funds (self-insured dental plan and the partially self-funded health insurance plan). These funds have a combined ending fund balance of \$738,274, a decrease of \$42,733 from the previous year.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$72.3 million (net of accumulated depreciation), which is a decrease of \$317,515 from the previous year. This investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and capital leases all with an original cost of greater than \$5,000.

Additional information on the District's capital assets can be found in the notes to the basic financial statements.

	Balance <u>6/30/2024</u>	<u>Additions</u>	Sales And <u>Retirements</u>	Balance <u>6/30/2025</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,439,058	\$ -	\$ -	\$ 1,439,058
Art Collection	<u>237,000</u>	<u>-</u>	<u>-</u>	<u>237,000</u>
Total capital assets, not being depreciated	<u>1,676,058</u>	<u>-</u>	<u>-</u>	<u>1,676,058</u>
Capital assets, being depreciated:				
Land Improvements	10,999,578	57,418	-	11,056,996
Buildings and improvements	97,691,057	1,678,161	-	99,369,218
Equipment	<u>6,057,996</u>	<u>435,724</u>	<u>(298,764)</u>	<u>6,194,956</u>
Total capital assets, being depreciated	<u>114,748,631</u>	<u>2,171,303</u>	<u>(298,764)</u>	<u>116,621,170</u>
Less accumulated depreciation for:				
Land Improvements	(5,656,542)	(388,700)	-	(6,045,242)
Buildings and improvements	(34,950,882)	(2,035,403)	-	(36,986,285)
Equipment	<u>(3,139,572)</u>	<u>(317,279)</u>	<u>239,095</u>	<u>(3,217,756)</u>
Total accumulated depreciation	<u>(43,746,996)</u>	<u>(2,741,382)</u>	<u>239,095</u>	<u>(46,249,283)</u>
Total capital assets being depreciated, net	<u>71,001,635</u>	<u>(570,079)</u>	<u>(59,669)</u>	<u>70,371,887</u>
Lease assets being amortized				
Equipment	<u>-</u>	<u>390,291</u>	<u>-</u>	<u>390,291</u>
Total lease assets being amortized	<u>-</u>	<u>390,291</u>	<u>-</u>	<u>390,291</u>
Lease assets being amortized				
Equipment	<u>-</u>	<u>(78,058)</u>	<u>-</u>	<u>(78,058)</u>
Total lease assets being amortized	<u>-</u>	<u>(78,058)</u>	<u>-</u>	<u>(78,058)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>312,233</u>	<u>-</u>	<u>312,233</u>
Governmental activities capital assets, net	<u>\$ 72,677,693</u>	<u>\$ (257,846)</u>	<u>\$ (59,669)</u>	<u>\$ 72,360,178</u>

Long-term Debt

At year-end, the District’s long-term debt was \$45,143,282. Of this amount, \$40,712,092 is attributed to bonds payable, of which \$2,750,000 is due within a year. The remaining \$4,431,190 is attributed to leases and compensated absences.

	<u>Balance</u> <u>6/30/24</u>	<u>Debt Issued</u> <u>and Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/25</u>	<u>Due Within</u> <u>One year</u>
<i>Governmental Activities</i>					
General obligation bonds	\$ 38,525,000	\$ -	\$ (2,635,000)	\$ 35,890,000	\$ 2,750,000
Unamortized bond premium	<u>5,582,823</u>	<u>-</u>	<u>(760,731)</u>	<u>4,822,092</u>	<u>-</u>
Total bonds payable	44,107,823	-	(3,395,731)	40,712,092	2,750,000
Leases	-	390,291	(70,633)	319,658	74,165
Compensated absences	<u>4,148,589</u>	<u>-</u>	<u>(37,057)</u>	<u>4,111,532</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>\$ 48,256,412</u>	<u>\$ 390,291</u>	<u>\$ (3,503,421)</u>	<u>\$ 45,143,282</u>	<u>\$ 2,824,165</u>

Section 22-42-104 of the Colorado Revised Statutes limits the amount of bonded indebtedness to 20% of the latest valuation for assessment of the taxable property in the District, or 6% of the most recent determination of the actual value of the taxable property in the District as certified by the County Assessor to the Board of County Commissioners. The District’s legal bonded debt limit as of June 30, 2025 was \$106.9 million.

Economic Factors: School Finance Act Funding

The largest source of revenue for the District’s operating funds is derived from the Public School Finance Act funding formula. In April 1994, the Colorado Legislature enacted the Public School Finance Act of 1994 (the Act) which continued the goals of (1) establishing a financial base of support for public education, (2) moving toward a uniform mill tax levy for all school districts, and (3) limiting the future growth of and reliance on the property tax to support public education. It establishes a statewide base per pupil funding and adjusts that amount for individual school districts by recognizing differences in (1) personnel costs, (2) cost of living, and (3) school district size. Additional funding is also provided to school districts based upon the presence of at-risk pupils. The sources of funding the Act formula amount include (1) a portion of the specific ownership taxes traditionally flowing to school districts in addition to (2) local property taxes, and (3) state equalization payments. The District’s total funding, based on this formula, increased by 6.7% in FY 25, 10.3% in FY 24, and 5.2% in FY 23.

In November 2000, Colorado voters approved Amendment 23, “Funding for Public Schools”, which required that the statewide base per pupil funding and the total State funding for categorical programs increase by at least the rate of inflation plus one percent for the ten-year period beginning in fiscal year 2002, and by at least the rate of inflation thereafter. In addition, State revenues collected from a tax of one-third of one percent on federal taxable income shall be deposited into the State Education Fund. The State Education Fund monies can be used to fund what additional amounts are needed as required by Amendment 23 and any remaining funds can be used to support certain educational programs, as appropriated by the State General Assembly.

As stated above, the local share of the aggregate Act funding is to be paid from (1) school district property taxes levied at a rate defined by the Act in accordance with Article X, Section 20 of the State constitution (and certified no later than December 15) and (2) specific ownership taxes. Specific ownership tax revenue is defined as the amount of such revenue received by the District in the prior fiscal year excluding any such revenue attributable to a bond redemption levy or override levy. Because of the impact of Article X, Section 20 of the State constitution (“TABOR”) passed by the voters of Colorado in November 1992, the State’s goal of achieving a uniform mill levy across all school districts has not been achievable. If a school district’s assessed valuation grows at a rate greater than the combined change in the prior year Boulder-Denver consumer price index and the school district’s enrollment, then the school district is required to reduce its mill levy. The District’s assessed valuation decreased by .13% for the tax year 2024 (property tax collections due in calendar year 2025).

The State funds its share of each school district’s Act funding by paying the difference between school district’s formula amount and the amount of local property taxes to be collected by the school district (assuming no delinquencies) plus the amount of local specific ownership taxes collected the previous year. The effect of this formula is to make school districts increasingly dependent upon the State for the funding of public education.

Economic Factors: Override Election Property Taxes

No school district may levy general fund taxes at a rate greater than that allowed by the Act unless authorized to do so at a general election or at a special election in November of odd-numbered years. The maximum amount of the revenue increase may not exceed 25% of the formula amount. Specific ownership tax revenue attributable to an override levy and to a bond redemption levy that is not used to satisfy bonded indebtedness must be applied toward the 25% override limit. In November of 1994, 1999, 2003, and 2011 the voters of the District approved overrides of \$750,000; \$950,000; \$1.4 million and \$1.7 million respectively, for an indefinite amount of time. The measure approved in 2011 capped the District’s total mill levy at 50 mills and also included a provision allowing the District to incrementally increase the total override collection up to the statutory maximum subject to the mill levy cap. In 2014 the mill levy cap was approved to increase to 53 mills. In 2017 the district voters approved a measure that removed the mill levy cap. The District has assessed 55 mills every year since 2017.

According to calculations by the Colorado Department of Education, the District presently collects 81% of its maximum override amount of \$12,360,088.79.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cheyenne Mountain School District 12 Business Office, 1775 LaClede Street, Colorado Springs, CO 80905.

BASIC FINANCIAL STATEMENTS

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 38,680,481
Restricted cash and investments	7,801,908
Cash with County Treasurer	344,451
Taxes receivable	908,694
Grants receivable	552,824
Inventories and prepaid expenses	550,525
Capital assets, not being depreciated	1,676,058
Capital assets, net of accumulated depreciation/amortization	70,684,120
Total assets	121,199,061
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	15,330,944
Deferred OPEB outflows	249,500
Total deferred outflows of resources	15,580,444
LIABILITIES	
Accounts payable and other current liabilities	364,675
Accrued salaries and benefits	5,542,996
Unearned revenue	35,115
Accrued interest	157,989
Long-term liabilities:	
Due within one year	2,824,165
Due in more than one year	42,319,117
Net pension liability	71,340,012
Net OPEB liability	1,265,774
Total liabilities	123,849,843
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	5,010,695
Deferred OPEB inflows	743,393
Total deferred inflows of resources	5,754,088
NET POSITION	
Net investment in capital assets	31,328,428
Restricted for:	
Emergency reserve (TABOR)	1,885,000
Multi-year obligations	256,513
Capital projects	40,158
Debt service	7,919,385
Unrestricted	(34,253,910)
Total net position	\$ 7,175,574

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:					
Instruction	\$ 33,757,688	\$ 1,876,490	\$ 3,823,280	\$ -	\$ (28,057,918)
Supporting services	23,494,383	624,021	176,412	-	(22,693,950)
Food service operations	1,537,276	89,801	1,526,512	-	79,037
Community services	168,644	24,112	-	-	(144,532)
Facilities acquisition	33,932	-	-	-	(33,932)
Interest on long-term debt	386,204	-	-	-	(386,204)
Total	<u>\$ 59,378,127</u>	<u>\$ 2,614,424</u>	<u>\$ 5,526,204</u>	<u>\$ -</u>	<u>(51,237,499)</u>
General revenues:					
Property taxes					29,496,654
Specific ownership taxes					2,827,154
State equalization					23,212,223
Grants and contributions not restricted to specific programs					279,578
Unrestricted investment earnings					910,571
Miscellaneous					286,345
Total general revenues					<u>57,012,525</u>
Change in net position					5,775,026
Net position - beginning, as restated					<u>1,400,548</u>
Net position - ending					<u><u>\$ 7,175,574</u></u>

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 28,516,407	\$ 6,398	\$ 7,955,171	\$ 1,412,516	\$ 37,890,492
Restricted cash and investments	-	7,801,908	-	-	7,801,908
Cash with county treasurer	325,464	18,987	-	-	344,451
Taxes receivable	755,137	153,557	-	-	908,694
Grants receivable	430,033	-	-	122,791	552,824
Inventories and prepaid items	535,745	-	-	14,780	550,525
	<u>\$ 30,562,786</u>	<u>\$ 7,980,850</u>	<u>\$ 7,955,171</u>	<u>\$ 1,550,087</u>	<u>\$ 48,048,894</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 108,447	\$ -	\$ 201,230	\$ 3,283	\$ 312,960
Accrued salaries and benefits	5,523,647	-	-	19,349	5,542,996
Unearned revenue	-	-	-	35,115	35,115
	<u>5,632,094</u>	<u>-</u>	<u>201,230</u>	<u>57,747</u>	<u>5,891,071</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	302,210	61,465	-	-	363,675
FUND BALANCES					
Nonspendable for:					
Inventories and prepaid expenses	535,745	-	-	14,780	550,525
Restricted for:					
Emergency reserve (TABOR)	1,885,000	-	-	-	1,885,000
Debt service	-	7,919,385	-	-	7,919,385
Capital projects	-	-	-	40,158	40,158
Multi-year obligations	256,513	-	-	-	256,513
Committed for:					
Food service operations	-	-	-	749,449	749,449
Pupil Activities	-	-	-	687,953	687,953
Capital projects	-	-	7,753,941	-	7,753,941
Assigned for:					
Risk management	2,036,692	-	-	-	2,036,692
Unassigned	19,914,532	-	-	-	19,914,532
	<u>24,628,482</u>	<u>7,919,385</u>	<u>7,753,941</u>	<u>1,492,340</u>	<u>41,794,148</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 30,562,786</u>	<u>\$ 7,980,850</u>	<u>\$ 7,955,171</u>	<u>\$ 1,550,087</u>	<u>\$ 48,048,894</u>

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

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

Total fund balance - governmental funds		\$ 41,794,148
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net of depreciation	\$ 70,684,120	
Capital assets, not being depreciated	1,676,058	72,360,178
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		363,675
Internal service funds are used by the District's management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		
		738,274
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Bond payable	\$ (40,712,092)	
Compensated absences	(4,111,532)	
Capital leases	(319,658)	
Accrued interest	(157,989)	
Net pension liabilities	(71,340,012)	
Pension outflows	15,330,944	
Pension inflows	(5,010,695)	
Net OPEB liabilities	(1,265,774)	
OPEB outflows	249,500	
OPEB inflows	(743,393)	(108,080,701)
Net position of governmental activities in the statement of net position		\$ 7,175,574

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources	\$ 29,027,960	\$ 5,218,959	\$ 137,079	\$ 1,672,778	\$ 36,056,776
State sources	26,232,323	-	-	992,011	27,224,334
Federal sources	1,730,075	-	-	534,502	2,264,577
	<u>56,990,358</u>	<u>5,218,959</u>	<u>137,079</u>	<u>3,199,291</u>	<u>60,326,728</u>
EXPENDITURES					
Instruction	31,633,321	-	13,376	1,476,499	33,123,196
Supporting services	20,461,132	-	2,536,856	-	22,997,988
Food service operations	-	-	-	1,537,277	1,537,277
Community services	167,661	-	-	-	167,661
Facilities acquisition and construction	-	-	811,691	-	811,691
Debt service	90,147	3,779,534	-	-	3,869,681
	<u>52,352,261</u>	<u>3,779,534</u>	<u>3,361,923</u>	<u>3,013,776</u>	<u>58,727,960</u>
Excess (deficiency) of revenues over expenditures	<u>4,638,097</u>	<u>1,439,425</u>	<u>(3,224,844)</u>	<u>185,515</u>	<u>1,598,768</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	4,497,432	26,140	4,523,572
Transfers out	(4,523,572)	-	-	-	(4,523,572)
Lease issued (as lessee)	390,291	-	-	-	390,291
	<u>(4,133,281)</u>	<u>-</u>	<u>4,497,432</u>	<u>26,140</u>	<u>390,291</u>
Net change in fund balances	504,816	1,439,425	1,272,588	211,655	3,428,484
Fund balances - beginning	<u>24,123,666</u>	<u>6,479,960</u>	<u>6,481,353</u>	<u>1,280,685</u>	<u>38,365,664</u>
Fund balances - ending	<u>\$ 24,628,482</u>	<u>\$ 7,919,385</u>	<u>\$ 7,753,941</u>	<u>\$ 1,492,340</u>	<u>\$ 41,794,148</u>

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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

Net change in fund balances - total governmental funds:		\$ 3,428,484
<p>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 amount by which depreciation exceeded capital outlays in the current period.</p>		
Depreciation	\$ (2,819,440)	
Capital outlays	2,561,594	(257,846)
<p>In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and, thus, is not reported in the funds.</p>		
		(59,669)
<p>Governmental funds do not present property tax revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.</p>		
		38,110
<p>Internal service funds are used by the District to charge the cost of certain activities to individual funds. The net revenue of the internal service funds are reported with governmental activities.</p>		
		(42,733)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Lease issued	\$ (390,291)	
Loan principal payments	2,635,000	
Lease principal payments	70,633	2,315,342
<p>Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Accretion of bond premium	\$ 760,731	
Compensated Absences	(269,005)	
Interest expense	17,114	
Changes in pension related items	(633,872)	
Changes in OPEB related items	478,370	353,338
Change in net position of governmental activities		\$ 5,775,026

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets	
Cash and cash equivalents	\$ 789,989
Total assets	789,989
LIABILITIES	
Current liabilities	
Accounts payable	51,715
Total liabilities	51,715
NET POSITION	
Unrestricted	738,274
Total net position	\$ 738,274

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 467,866
OPERATING EXPENSES	
Purchased services	528,168
Total operating expenses	528,168
Operating income (loss)	(60,302)
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	17,569
Change in net position	(42,733)
Net position - beginning	781,007
Net position - ending	\$ 738,274

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 467,866
Cash payments to vendors	(565,841)
Net cash provided (used) by operating activities	(97,975)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	17,569
Net increase (decrease) in cash and cash equivalents	(80,406)
Cash and cash equivalents - beginning	870,395
Cash and cash equivalents - ending	\$ 789,989
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (60,302)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase (decrease) in:	
Accounts payable	(37,673)
Total adjustments	(37,673)
Net cash provided (used) by operating activities	\$ (97,975)

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

NOTES TO FINANCIAL STATEMENTS

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cheyenne Mountain School District 12 (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District was established in 1872 and is organized under the Constitution of the State of Colorado. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

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

Based on the application of these criteria, the District does not include additional organizations within its reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

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

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

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

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

The *Capital Projects Fund* is used to account for significant capital expenditures.

Additionally, the District reports the following fund types:

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

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

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

The *Land Acquisition Fund* is used for improving the park and recreation areas. Funds are received from the Colorado Lottery.

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

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

Cash and cash equivalents

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

Investments

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables

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

Inventories and prepaid items

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

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

Capital assets

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

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

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

Land improvements	5-48 years
Buildings and improvements	7-50 years
Equipment	5-20 years

Accrued Salaries and Benefits

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

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

Deferred outflows/inflows of resources

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

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

Leases

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term liabilities

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

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

Pensions

Cheyenne Mountain School District 12 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.

OPEB

Cheyenne Mountain School District 12 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Fund balance classification

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

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES AND EXPENDITURES/EXPENSES

Property Taxes

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

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2024 is 45.700 mills for general operating expenses and 9.300 mills for the payment of long-term debt. The District's assessed valuation for the collection year 2024 is \$534,978,980.

Specific Ownership Taxes

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

Compensated Absences

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

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

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

F. ESTIMATES

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Deposits	\$ 37,652,273
Investments	<u>8,830,116</u>
Total	<u>\$ 46,482,389</u>

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

Cash and investments	\$ 38,680,481
Restricted cash and investments	<u>7,801,908</u>
Total	<u>\$ 46,482,389</u>

Cash deposits with financial institutions

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

The carrying amount of the District’s deposits at June 30, 2025 was \$37,652,273 and the bank balances were \$38,958,025. Of the bank balances, \$500,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor’s Rating</u>
ColoTrust	\$ 8,824,753	Net asset value	Less than 90 days	AAAm
CSAFE	<u>5,363</u>	Net asset value	Less than 90 days	AAAm
	<u>\$ 8,830,116</u>			

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

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District’s investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District’s investments are in ColoTrust. These investments are 99.94% of the District’s total investments.

In accordance with state law, the District has designated Wells Fargo as the third party custodian for the bond redemption fund. Funds held at June 30, 2025 total \$7,801,907 and are included with the ColoTrust investments above.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

NOTE 4 –INTERFUND TRANSFERS

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 4,523,572
Capital Projects Fund	4,497,432	-
Nonmajor and Internal Service Funds	<u>26,140</u>	<u>-</u>
Total	<u>\$ 4,523,572</u>	<u>\$ 4,523,572</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$ 1,439,058	\$ -	\$ -	\$ 1,439,058
Art Collection	237,000	-	-	237,000
Total capital assets not being depreciated	<u>1,676,058</u>	<u>-</u>	<u>-</u>	<u>1,676,058</u>
Capital assets being depreciated:				
Land improvements	10,999,578	57,418	-	11,056,996
Building and improvements	97,691,057	1,678,161	-	99,369,218
Equipment	6,057,996	435,724	(298,764)	6,194,956
Total capital assets being depreciated	<u>114,748,631</u>	<u>2,171,303</u>	<u>(298,764)</u>	<u>116,621,170</u>
Less accumulated depreciation for:				
Land improvements	(5,656,542)	(388,700)	-	(6,045,242)
Building and improvements	(34,950,882)	(2,035,403)	-	(36,986,285)
Equipment	(3,139,572)	(317,279)	239,095	(3,217,756)
Total accumulated depreciation	<u>(43,746,996)</u>	<u>(2,741,382)</u>	<u>239,095</u>	<u>(46,249,283)</u>
Total capital assets being depreciated, net	<u>71,001,635</u>	<u>(570,079)</u>	<u>(59,669)</u>	<u>70,371,887</u>
Lease assets being amortized				
Equipment	-	390,291	-	390,291
Total lease assets being amortized	<u>-</u>	<u>390,291</u>	<u>-</u>	<u>390,291</u>
Less accumulated amortization for:				
Equipment	-	(78,058)	-	(78,058)
Total accumulated amortization	<u>-</u>	<u>(78,058)</u>	<u>-</u>	<u>(78,058)</u>
Total lease assets, net	<u>-</u>	<u>312,233</u>	<u>-</u>	<u>312,233</u>
Capital assets, net of accumulated depreciation/amortization	<u>71,001,635</u>	<u>(257,846)</u>	<u>(59,669)</u>	<u>70,684,120</u>
Total governmental activities capital assets	<u>\$ 72,677,693</u>	<u>\$ (257,846)</u>	<u>\$ (59,669)</u>	<u>\$ 72,360,178</u>

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

Governmental Activities

Instruction	\$ 2,503,827
Support Services – Instructional	<u>315,613</u>
Total depreciation expense	<u>\$ 2,819,440</u>

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LEASES

School as Lessee

The School, as a lessee, has entered into lease agreements involving equipment with lease terms ranging from three to five years. The total costs of these right-to-use lease assets are recorded as 390,291, less accumulated amortization of 78,058. The School has determined that as of June 30, 2025, there's no loss associated with an impairment of the right-to-use asset.

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

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 74,164	\$ 15,983	\$ 90,147
2027	77,873	12,275	90,148
2028	81,766	8,381	90,147
2029	85,855	4,293	90,148
Total	<u>\$ 319,658</u>	<u>\$ 40,931</u>	<u>\$ 360,589</u>

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds

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

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

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
G.O. Bonds 2019	\$ 39,630,000	3.25%	2038	<u>35,890,000</u>
Total				<u>\$ 35,890,000</u>

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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

Fiscal Year <u>Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,750,000	\$ 1,042,109
2027	2,840,000	958,259
2028	2,920,000	871,859
2029	3,010,000	782,909
2030	3,100,000	691,259
2031– 2035	7,095,000	11,997,147
2036 – 2040	<u>14,175,000</u>	<u>940,397</u>
Total	<u>\$ 35,890,000</u>	<u>\$ 17,283,941</u>

Legal Debt Margin

Assessed valuation	<u>\$ 534,978,980</u>
Debt limit – 20% of assessed valuation	106,995,796
General obligation debt	<u>(35,890,000)</u>
	<u>\$ 71,105,796</u>

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One year</u>
<i>Governmental Activities</i>					
General obligation bonds	\$ 38,525,000	\$ -	\$ (2,635,000)	\$ 35,890,000	\$ 2,750,000
Premiums	<u>5,582,823</u>	<u>-</u>	<u>(760,731)</u>	<u>4,822,092</u>	<u>-</u>
Total bond payable	44,107,823	-	(3,395,731)	40,712,092	2,750,000
Leases	-	390,291	(70,633)	319,658	74,165
Compensated absences	4,148,589	-	(37,057)	4,111,532	-
Net pension liability	80,029,119	1,619,167	(10,308,274)	71,340,012	-
Net OPEB liability	<u>1,932,382</u>	<u>127,141</u>	<u>(793,749)</u>	<u>1,265,774</u>	<u>-</u>
<i>Total Governmental Activities</i>	<u>\$ 130,217,913</u>	<u>\$ 2,136,599</u>	<u>\$ (14,605,444)</u>	<u>\$ 117,749,068</u>	<u>\$ 2,824,165</u>

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Cheyenne Mountain School District 12 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.

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Contributions provisions as of June 30, 2025: Eligible employees of, Cheyenne Mountain School District 12 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Cheyenne Mountain School District 12 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Cheyenne Mountain School District 12 were \$6,714,421 for the year ended June 30, 2025.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Cheyenne Mountain School District 12 proportion of the net pension liability was based on Cheyenne Mountain School District 12 contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the Cheyenne Mountain School District 12 reported a liability of \$71,340,012 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 Cheyenne Mountain School District 12 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 Cheyenne Mountain School District 12 were as follows:

Cheyenne Mountain School District 12 proportionate share of the net pension liability	\$ 71,340,012
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Cheyenne Mountain School District 12	6,407,466
Total	\$ 77,747,478

At December 31, 2024, the Cheyenne Mountain School District 12 proportion was 0.4134478688%, which was a decrease of 0.0391179258% from its proportion measured as of December 31, 2023.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2025, the Cheyenne Mountain School District 12 recognized pension expense of \$7,348,293 and revenue of \$675,718 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Cheyenne Mountain School District 12 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,039,878	\$ -
Changes of assumptions or other inputs	534,844	-
Net difference between projected and actual earnings on pension plan investments	1,345,988	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,975,042	5,010,695
Contributions subsequent to the measurement date	3,435,192	N/A
Total	<u>\$ 15,330,944</u>	<u>\$ 5,010,595</u>

\$3,435,192 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	\$ 5,843,610
2027	4,731,432
2028	(2,730,029)
2029	(959,956)
2030	-
Thereafter	-

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

Salary increases, including wage inflation:	4.00%-13.40%
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CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Sensitivity of the Cheyenne Mountain School District 12 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 96,720,523	\$ 71,340,012	\$ 50,080,287

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

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

- There were no changes made to the plan provisions.

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Subsequent Events

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

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

General Information about the OPEB Plan

Plan description. Eligible employees of the Cheyenne Mountain School District 12 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.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Cheyenne Mountain School District 12 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Cheyenne Mountain School District 12 were \$336,050 for the year ended June 30, 2025.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

At June 30, 2025, the Cheyenne Mountain School District 12 reported a liability of \$1,265,774 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 Cheyenne Mountain School District 12 proportion of the net OPEB liability was based on Cheyenne Mountain School District 12 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 Cheyenne Mountain School District 12 proportion was 0.2647137603%, which was a decrease of 0.0060318889% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Cheyenne Mountain School District 12 recognized OPEB expense of \$(142,320). At June 30, 2025, the Cheyenne Mountain School District 12 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 279,204
Changes of assumptions or other inputs	14,514	404,604
Net difference between projected and actual earnings on OPEB plan investments	4,291	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	58,761	59,585
Contributions subsequent to the measurement date	171,934	N/A
Total	\$ 249,500	\$ 743,393

\$171,934 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	\$ (195,263)
2027	(107,572)
2028	(147,701)
2029	(99,804)
2030	(74,442)
Thereafter	(41,045)

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Age-Related Morbidity Assumptions

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option. enrollees not eligible for premium-free Medicare Part A.

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

Salary increases, including wage inflation 4.00%-13.40%

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

Sensitivity of the Cheyenne Mountain School District 12 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,231,671	\$ 1,265,774	\$ 1,304,369

¹For the January 1, 2025, plan year.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

Sensitivity of the Cheyenne Mountain School District 12 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	\$ 1,551,225	\$ 1,265,774	\$ 1,019,680

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disasters.

The District purchases commercial insurance for property, liability and worker’s compensation risks of loss. Settlements have not exceeded premiums for each of the past three fiscal years.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - TAX, SPENDING, AND DEBT LIMITATIONS

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

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2025 there is a \$1,885,000 reservation of fund balance in the General Fund for the amendment.

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

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

In November 2006 voters within the District passed an amendment allowing the District to retain excess revenues in fiscal year 2004-2005 and all future years.

On November 4, 2014, voters within the District authorized the District to increase taxes up to \$4,980,000 annually. Voters authorized the District to increase debt by \$45 million, with a repayment cost of up to \$84,280,000, for the purpose of acquiring, constructing, refinancing, repairing and improving District facilities.

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

NOTE 13 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

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

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
June 30, 2024, as previously reported	\$	4,412,598
<i>Adoption of new accounting standard</i>		
GASB 101 implementation		(3,012,050)
June 30, 2024, as restated	\$	1,400,548

REQUIRED SUPPLEMENTARY INFORMATION

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.4134478688%	0.4525657946%	0.3546123114%	0.3992496224%	0.4518049794%	0.4058255938%	0.4064998583%	0.4674739871%	0.4707910113%	0.4722616959%
District's proportionate share of the net pension liability (asset)	\$ 71,340,012	\$ 80,029,119	\$ 64,573,005	\$ 46,462,140	\$ 68,303,800	\$ 60,629,463	\$ 71,979,149	\$ 151,164,473	\$ 140,172,690	\$ 72,229,092
State's proportionate share of the net pension liability (asset) associated with the District	6,407,466	1,754,801	18,817,223	5,326,291		6,824,478	8,658,253	-	-	-
Total	<u>\$ 77,747,478</u>	<u>\$ 81,783,920</u>	<u>\$ 83,390,228</u>	<u>\$ 51,788,431</u>	<u>\$ 68,303,800</u>	<u>\$ 67,453,941</u>	<u>\$ 80,637,402</u>	<u>\$ 151,164,473</u>	<u>\$ 140,172,690</u>	<u>\$ 72,229,092</u>
District's covered payroll	\$ 31,949,032	\$ 29,918,685	\$ 27,354,245	\$ 24,951,843	\$ 24,165,240	\$ 23,695,046	\$ 22,947,260	\$ 21,564,014	\$ 21,129,937	\$ 20,581,063
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223.29%	267.49%	236.06%	186.21%	282.65%	255.87%	313.67%	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%

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

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 6,714,421	\$ 6,326,031	\$ 5,836,448	\$ 5,185,916	\$ 4,831,363	\$ 4,592,100	\$ 4,275,073	\$ 4,017,377	\$ 3,830,859	\$ 3,566,697
Contributions in relation to the contractually required contribution	<u>(6,714,421)</u>	<u>(6,326,031)</u>	<u>(5,836,448)</u>	<u>(5,185,916)</u>	<u>(4,831,363)</u>	<u>(4,592,100)</u>	<u>(4,275,073)</u>	<u>(4,017,377)</u>	<u>(3,830,859)</u>	<u>(3,566,697)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 32,946,130	\$ 31,040,388	\$ 28,638,116	\$ 26,086,095	\$ 24,302,633	\$ 23,695,046	\$ 22,947,260	\$ 21,564,014	\$ 21,129,937	\$ 20,581,063
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	18.63%	18.63%	18.13%	17.33%

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

See the accompanying independent auditors' report.

**CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.2647137603%	0.2707456492%	0.2695047120%	0.2606797530%	0.2613175691%	0.2652149994%	0.2642271042%	0.2656314772%	0.2676032641%
District's proportionate share of the net OPEB liability (asset)	\$ 1,265,774	\$ 1,932,382	\$ 2,200,449	\$ 2,247,855	\$ 2,483,105	\$ 2,981,011	\$ 3,594,921	\$ 3,452,147	\$ 3,469,567
District's covered payroll	\$ 31,949,032	\$ 29,918,685	\$ 27,354,245	\$ 24,951,843	\$ 24,165,240	\$ 23,695,046	\$ 22,947,260	\$ 21,564,014	\$ 21,129,937
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	3.96%	6.46%	8.04%	9.01%	10.28%	12.58%	15.67%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

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

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

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 336,050	\$ 316,616	\$ 292,114	\$ 266,080	\$ 247,889	\$ 241,689	\$ 234,062	\$ 219,953	\$ 215,525
Contributions in relation to the contractually required contribution	<u>(336,050)</u>	<u>(316,616)</u>	<u>(292,114)</u>	<u>(266,080)</u>	<u>(247,889)</u>	<u>(241,689)</u>	<u>(234,062)</u>	<u>(219,953)</u>	<u>(215,525)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Districts covered payroll	\$ 32,946,130	\$ 31,040,388	\$ 28,638,116	\$ 26,086,095	\$ 24,302,633	\$ 23,695,046	\$ 22,947,260	\$ 21,564,014	\$ 21,129,937
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

See the accompanying independent auditors' report.

GENERAL FUND

This fund is used to account for and report all financial resources not accounted for and reported in another fund. Any lawful expenditure of the School District, including any expenditure of a nature that could be made from any other fund, may be made from the General Fund.

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Local sources:				
Property taxes	\$ 25,736,034	\$ 24,447,468	\$ 24,469,250	\$ 21,782
Specific ownership taxes	2,744,122	2,718,805	2,827,154	108,349
Other local sources	1,179,720	1,299,176	1,731,556	432,380
Total local sources	<u>29,659,876</u>	<u>28,465,449</u>	<u>29,027,960</u>	<u>562,511</u>
State sources:				
State equalization	21,104,489	23,212,223	23,212,223	-
Other state funding	2,178,651	2,317,254	3,020,100	702,846
Total state sources	<u>23,283,140</u>	<u>25,529,477</u>	<u>26,232,323</u>	<u>702,846</u>
Federal sources	1,451,849	1,653,002	1,730,075	77,073
Total revenues	<u>54,394,865</u>	<u>55,647,928</u>	<u>56,990,358</u>	<u>1,342,430</u>
EXPENDITURES				
Instruction	31,398,521	31,653,087	31,633,321	19,766
Supporting services:				
Student services	4,355,235	4,354,859	4,365,031	(10,172)
Instructional staff	3,747,097	3,902,877	3,738,991	163,886
General administration	864,050	873,472	719,397	154,075
School administration	2,912,517	2,942,762	2,952,777	(10,015)
Business services	768,697	794,985	727,183	67,802
Operation and maintenance	8,011,916	7,514,874	6,451,621	1,063,253
Student transportation	660,231	600,084	611,602	(11,518)
Central services	1,092,577	1,105,581	894,530	211,051
Other support services	103,458	-	-	-
Community services	194,670	194,670	167,661	27,009
Debt service	21,400	21,400	90,147	(68,747)
Contingency reserves	19,657,137	22,708,570	-	22,708,570
Total expenditures	<u>73,787,506</u>	<u>76,667,221</u>	<u>52,352,261</u>	<u>24,314,960</u>
Excess (deficiency) of revenues over expenditures	(19,392,641)	(21,019,293)	4,638,097	25,657,390
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,398,140)	(3,104,372)	(4,523,572)	(1,419,200)
Lease issued (as lessee)	-	-	390,291	390,291
Total other financing sources (uses)	<u>(2,398,140)</u>	<u>(3,104,372)</u>	<u>(4,133,281)</u>	<u>(1,028,909)</u>
Net change in fund balance	(21,790,781)	(24,123,665)	504,816	24,628,481
Fund balance - beginning	21,790,781	24,123,665	24,123,666	1
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,628,482</u>	<u>\$ 24,628,482</u>

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

BOND REDEMPTION FUND

The District has one debt service fund, the Bond Redemption Fund. This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. This fund's primary revenue sources are local property taxes levied specifically for debt service

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Property taxes	\$ 5,025,305	\$ 4,989,295	\$ (36,010)
Other local sources	-	229,664	229,664
Total revenues	<u>5,025,305</u>	<u>5,218,959</u>	<u>193,654</u>
EXPENDITURES			
Debt service	3,786,534	3,779,534	7,000
Contingency reserves	<u>7,718,731</u>	-	<u>7,718,731</u>
Total expenditures	<u>11,505,265</u>	<u>3,779,534</u>	<u>7,725,731</u>
Net change in fund balance	(6,479,960)	1,439,425	7,919,385
Fund balance - beginning	<u>6,479,960</u>	<u>6,479,960</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 7,919,385</u>	<u>\$ 7,919,385</u>

See the accompanying independent auditors' report.

CAPITAL PROJECTS FUND

This fund is used to account for significant capital expenditures of the District.

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

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 4,000	\$ 137,079	\$ 133,079
	<u>4,000</u>	<u>137,079</u>	<u>133,079</u>
EXPENDITURES			
Instruction	20,000	13,376	6,624
Supporting services:			
Business services	84,000	-	84,000
Operation and maintenance	3,406,982	2,536,856	870,126
Facilities acquisition and construction	2,006,752	811,691	1,195,061
Contingency reserves	4,048,851	-	4,048,851
Total expenditures	<u>9,566,585</u>	<u>3,361,923</u>	<u>6,204,662</u>
Excess (deficiency) of revenues over expenditures	(9,562,585)	(3,224,844)	6,337,741
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>3,081,232</u>	<u>4,497,432</u>	<u>1,416,200</u>
Net change in fund balance	(6,481,353)	1,272,588	7,753,941
Fund balance - beginning	<u>6,481,353</u>	<u>6,481,353</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 7,753,941</u>	<u>\$ 7,753,941</u>

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. These funds may be required by statute or ordinance and others may be established through resolutions by the Board of Education for purposes of better administration. The District has the following Special Revenue Funds:

Food Service Fund

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

Pupil Activity Fund

Used to record financial transactions related to school-sponsored pupil intra-scholastic and interscholastic athletic and related events. These activities are supported by revenues from pupils, gate receipts and other fund-raising activities.

Land Fund

This fund receives its primary source of income from fees in lieu of land paid by developers. The purpose of this fund is to accumulate resources for the new land development and acquisition costs.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	<u>Special Revenue</u>			Total Nonmajor Governmental Funds
	Food Service Fund	Pupil Activity Fund	Land Fund	
ASSETS				
Cash and investments	\$ 684,405	\$ 687,953	\$ 40,158	\$ 1,412,516
Grants receivable	122,791	-	-	122,791
Inventories and prepaid expenses	14,780	-	-	14,780
	<u>821,976</u>	<u>687,953</u>	<u>40,158</u>	<u>1,550,087</u>
Total assets	<u>\$ 821,976</u>	<u>\$ 687,953</u>	<u>\$ 40,158</u>	<u>\$ 1,550,087</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 3,283	\$ -	\$ -	\$ 3,283
Accrued salaries and benefits	19,349	-	-	19,349
Unearned revenue	35,115	-	-	35,115
	<u>57,747</u>	<u>-</u>	<u>-</u>	<u>57,747</u>
Total liabilities	<u>57,747</u>	<u>-</u>	<u>-</u>	<u>57,747</u>
FUND BALANCES				
Nonspendable for:				
Inventories and prepaid expenses	14,780	-	-	14,780
Restricted for:				
Capital projects	-	-	40,158	40,158
Committed for:				
Food service operations	749,449	-	-	749,449
Pupil activities	-	687,953	-	687,953
	<u>764,229</u>	<u>687,953</u>	<u>40,158</u>	<u>1,492,340</u>
Total fund balances	<u>764,229</u>	<u>687,953</u>	<u>40,158</u>	<u>1,492,340</u>
Total liabilities and fund balances	<u>\$ 821,976</u>	<u>\$ 687,953</u>	<u>\$ 40,158</u>	<u>\$ 1,550,087</u>

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Special Revenue</u>			Total Nonmajor Governmental Funds
	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Land Fund</u>	
REVENUES				
Local sources	\$ 109,794	\$ 1,553,864	\$ 9,120	\$ 1,672,778
State sources	992,011	-	-	992,011
Federal sources	534,502	-	-	534,502
Total revenues	<u>1,636,307</u>	<u>1,553,864</u>	<u>9,120</u>	<u>3,199,291</u>
EXPENDITURES				
Instruction	-	1,476,499	-	1,476,499
Food service operations	<u>1,537,277</u>	<u>-</u>	<u>-</u>	<u>1,537,277</u>
Total expenditures	<u>1,537,277</u>	<u>1,476,499</u>	<u>-</u>	<u>3,013,776</u>
Excess (deficiency) of revenues over expenditures	99,030	77,365	9,120	185,515
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>26,140</u>	<u>-</u>	<u>26,140</u>
Net change in fund balances	99,030	103,505	9,120	211,655
Fund balances - beginning	<u>665,199</u>	<u>584,448</u>	<u>31,038</u>	<u>1,280,685</u>
Fund balances - ending	<u><u>\$ 764,229</u></u>	<u><u>\$ 687,953</u></u>	<u><u>\$ 40,158</u></u>	<u><u>\$ 1,492,340</u></u>

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 90,500	\$ 109,794	\$ 19,294
State sources:			
Other state funding	822,200	992,011	169,811
Federal sources	438,501	534,502	96,001
Total revenues	<u>1,351,201</u>	<u>1,636,307</u>	<u>285,106</u>
EXPENDITURES			
Supporting services:			
Food service operations	1,612,813	1,537,277	75,536
Contingency reserves	403,587	-	403,587
Total expenditures	<u>2,016,400</u>	<u>1,537,277</u>	<u>479,123</u>
Net change in fund balance	(665,199)	99,030	764,229
Fund balance - beginning	<u>665,199</u>	<u>665,199</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 764,229</u>	<u>\$ 764,229</u>

See the accompanying independent auditors' report.

**CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 1,500,000	\$ 1,553,864	\$ 53,864
EXPENDITURES			
Instruction	2,000,000	1,476,499	523,501
Total expenditures	2,000,000	1,476,499	523,501
Excess (deficiency) of revenues over expenditures	(500,000)	77,365	577,365
OTHER FINANCING SOURCES (USES)			
Transfers in	-	26,140	26,140
Net change in fund balance	(500,000)	103,505	603,505
Fund balance - beginning	500,000	584,448	84,448
Fund balance - ending	<u>\$ -</u>	<u>\$ 687,953</u>	<u>\$ 687,953</u>

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
LAND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Local sources:			
Other local sources	\$ 10,200	\$ 9,120	\$ (1,080)
Total revenues	<u>10,200</u>	<u>9,120</u>	<u>(1,080)</u>
EXPENDITURES			
Facilities acquisition and construction	10,000	-	10,000
Contingency reserves	<u>31,238</u>	<u>-</u>	<u>31,238</u>
Total expenditures	<u>41,238</u>	<u>-</u>	<u>41,238</u>
Net change in fund balance	(31,038)	9,120	40,158
Fund balance - beginning	<u>31,038</u>	<u>31,038</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 40,158</u>	<u>\$ 40,158</u>

See the accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Internal Service Funds account for operations that provide services to other departments or agencies of the District, or the other governments, on a cost-reimbursements basis.

The District reports two internal Service Funds for its self-insurance programs related to its employee health and dental benefit coverage.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Health Insurance Reserve Fund	Dental Insurance Reserve Fund	Total Internal Service Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 494,791	\$ 295,198	\$ 789,989
Total assets	494,791	295,198	789,989
LIABILITIES			
Current liabilities			
Accounts payable	35,048	16,667	51,715
Total liabilities	35,048	16,667	51,715
NET POSITION			
Unrestricted	459,743	278,531	738,274
Total net position	\$ 459,743	\$ 278,531	\$ 738,274

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Health Insurance Reserve Fund	Dental Insurance Reserve Fund	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 180,332	\$ 287,534	\$ 467,866
OPERATING EXPENSES			
Purchased services	225,459	302,709	528,168
Total operating expenses	225,459	302,709	528,168
Operating income (loss)	(45,127)	(15,175)	(60,302)
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	11,128	6,441	17,569
Change in net position	(33,999)	(8,734)	(42,733)
Net position - beginning	493,742	287,265	781,007
Net position - ending	\$ 459,743	\$ 278,531	\$ 738,274

See the accompanying independent auditors' report.

**CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Health Insurance Reserve Fund</u>	<u>Dental Insurance Reserve Fund</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users	\$ 180,332	\$ 287,534	\$ 467,866
Cash payments to vendors	<u>(240,118)</u>	<u>(325,723)</u>	<u>(565,841)</u>
Net cash provided (used) by operating activities	<u>(59,786)</u>	<u>(38,189)</u>	<u>(97,975)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>11,128</u>	<u>6,441</u>	<u>17,569</u>
Net increase (decrease) in cash and cash equivalents	(48,658)	(31,748)	(80,406)
Cash and cash equivalents - beginning	<u>543,449</u>	<u>326,946</u>	<u>870,395</u>
Cash and cash equivalents - ending	<u>\$ 494,791</u>	<u>\$ 295,198</u>	<u>\$ 789,989</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (45,127)</u>	<u>\$ (15,175)</u>	<u>\$ (60,302)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase (decrease) in:			
Accounts payable	<u>(14,659)</u>	<u>(23,014)</u>	<u>(37,673)</u>
Total adjustments	<u>(14,659)</u>	<u>(23,014)</u>	<u>(37,673)</u>
Net cash provided (used) by operating activities	<u>\$ (59,786)</u>	<u>\$ (38,189)</u>	<u>\$ (97,975)</u>

See the accompanying independent auditors' report.

**CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
RISK MANAGEMENT - HEALTH INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES			
Premiums & employer contributions	\$ 195,000	\$ 180,332	\$ (14,668)
Total operating revenues	195,000	180,332	(14,668)
OPERATING EXPENSES			
Purchased medical services & supplies	250,000	203,695	46,305
Purchased management services	20,000	21,764	(1,764)
Contingency reserve	419,542	-	419,542
Total operating expenses	689,542	225,459	464,083
Operating income (loss)	(494,542)	(45,127)	449,415
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	800	11,128	10,328
Change in net position	(493,742)	(33,999)	459,743
Net position - beginning	493,742	493,742	-
Net position - ending	\$ -	\$ 459,743	\$ 459,743

See the accompanying independent auditors' report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
RISK MANAGEMENT - DENTAL INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES			
Premiums & employer contributions	\$ 273,000	\$ 287,534	\$ 14,534
Total operating revenues	<u>273,000</u>	<u>287,534</u>	<u>14,534</u>
OPERATING EXPENSES			
Purchased medical services & supplies	300,000	302,709	602,709
Contingency reserve	<u>260,765</u>	<u>-</u>	<u>260,765</u>
Total operating expenses	<u>560,765</u>	<u>302,709</u>	<u>863,474</u>
Operating income (loss)	(287,765)	(15,175)	878,008
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	<u>500</u>	<u>6,441</u>	<u>5,941</u>
Change in net position	(287,265)	(8,734)	883,949
Net position - beginning	<u>287,265</u>	<u>287,265</u>	<u>-</u>
Net position - ending	<u>\$ -</u>	<u>\$ 278,531</u>	<u>\$ 883,949</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE



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

To the Board of Education
Cheyenne Mountain School District 12

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne Mountain School District 12, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Cheyenne Mountain School District 12's basic financial statements as listed in the table of contents. Our report thereon, dated December 5, 2025, expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cheyenne Mountain School District 12's basic financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company, Inc.

Colorado Springs, Colorado
December 5, 2025



Colorado Department of Education
Auditors Integrity Report
 District: 1020 - Cheyenne Mountain 12
 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	22,694,346	50,439,466	50,542,023	22,591,789
18 Risk Mgmt Sub-Fund of General Fund	1,429,320	2,417,611	1,810,239	2,036,692
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	24,123,666	52,857,077	52,352,261	24,628,482
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	31,038	9,121	0	40,158
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	665,199	1,636,307	1,537,276	764,229
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	584,448	1,580,004	1,476,500	687,953
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	6,479,960	5,218,960	3,779,534	7,919,385
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	6,481,353	4,634,511	3,361,924	7,753,941
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	38,365,664	65,935,980	62,507,495	41,794,149
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	781,007	199,352	242,085	738,274
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	781,007	199,352	242,085	738,274
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