

**CRIPPLE CREEK - VICTOR SCHOOL
DISTRICT RE-1**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cripple Creek - Victor School District RE-1

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 Cripple Creek - Victor School District RE-1, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Cripple Creek - Victor School District RE-1'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 Cripple Creek - Victor School District RE-1, as of June 30, 2025 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cripple Creek - Victor School District RE-1 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 15 to the financial statements, Cripple Creek - Victor School District RE-1 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 Cripple Creek - Victor School

District RE-1'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cripple Creek - Victor School District RE-1'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 Cripple Creek - Victor School District RE-1'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 Cripple Creek - Victor School District RE-1's basic financial statements. The accompanying Combining and Individual Fund Statements and Schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026 on our consideration of the Cripple Creek - Victor School District RE-1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cripple Creek - Victor School District RE-1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cripple Creek - Victor School District RE-1's internal control over financial reporting and compliance.

Hoelting & Company Inc.

Colorado Springs, Colorado
March 10, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2025

The discussion and analysis of Cripple Creek - Victor School District RE-1's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The District's property tax revenue decreased due to a declining EAV – Estimated Assessed Valuation at 4% from the previous year. The District did pass a 1% sales tax referendum in 2024 to help fund the Career and Technical Education Programs and these revenues have offset the costs of operation of these programs. The District gets limited to no state funding due to the EAV and depends on a healthy fund balance to be able to continue to operate on its budget of property taxes. All increases in revenue are being used to offset the cost of salary and benefits to keep quality teachers in this rural area and increasing costs for safety and security of the students and staff. The District budgets sufficient contingencies greater than required by law to cover any unanticipated operational needs. The District faces significant challenges absorbing the cost of programs previously funded by grants, as well as funding the rising costs of facility maintenance as the existing school buildings continue to age.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

Fiscal Year 2024-2025 was the eleventh year the District's Governmental net position reflected the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPES), was effective as of July 1, 2017. This statement establishes standards of accounting and financial reporting for defined benefit Health Care Trust Funds.

Most of the district's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted for TABOR emergencies and for debt repayment.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position, the District has governmental Activities:

Governmental Activities - The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

A condensed summary of the District's Net Position is as follows:

Condensed Statement of Net Position

	2025	2024
	Governmental Activities	Governmental Activities
Current Assets	8,864,152	8,853,303
Non-Depreciable Assets	0	0
Depreciable Assets	24,892,649	24,787,295
Accumulated Depreciation	(12,079,813)	(11,335,710)
Total Assets	21,676,988	22,304,888
Deferred Charge on Refunding	26,451	79,343
Deferred Pension & OPEB Outflows	1,854,027	3,021,725
Total Deferred Outflows	1,880,478	3,101,068
Current Liabilities	1,370,198	1,460,663
Long-term Liabilities	3,629,804	4,115,634
Net Pension & OPEB Liabilities	8,864,060	11,522,048
Total Liabilities	13,864,062	17,098,345
Deferred Pension and OPEB Inflows	1,659,293	420,052
Total Deferred Inflows	1,659,293	420,052
Net Investment in Capital Assets	9,850,647	9,462,478
Restricted Net Position	2,637,390	2,260,534
Unrestricted Net Position	(4,453,926)	(3,835,453)
Total Net Position	8,034,111	7,887,559

Most of the district's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted for TABOR emergencies, for debt repayment and preschool.

A condensed Statement of Activities is as follows:

Condensed Statement of Activities

	2025	2024
	Governmental Activities	Governmental Activities
Program Revenues		
Charges for Services	77,751	91,505
Operating Grants	3,312,387	3,720,633
Total Program Revenues	3,390,138	3,812,138
General Revenue		
Taxes	6,033,044	5,582,108
State Equalization	443,160	50,079
Grants and Contributions not restricted to specific programs	13,000	2,396
Investment Income	279,251	211,250
Miscellaneous	101,612	229,159
Total General Revenues	6,870,067	6,074,992
Total Revenues	10,260,205	9,887,130
Expenses		
Instruction	4,010,360	4,258,761
Supporting Services	4,134,693	4,235,332
Facilities acquisition & Construction	122,881	1,403,108
Community Services	780,200	787,896
Interest & Fiscal Charges	162,742	190,454
Food Service	322,063	447,833
Total Expenses	9,532,939	11,326,384
Change in Net Position	727,266	(1,439,254)
Net Position - July 1	7,306,845	9,326,813
Net Position - Ending June 30	8,034,111	7,887,559

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 50 of the audit report. Fund financial reports provide detailed information about the School District's major funds. The District's major funds are the General, Grants, Head Start and Bond Redemption Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short- term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund Financial Statements

As of June 30, 2025 the District's governmental funds reported a combined fund balance of \$7,409,575 which is a increase of \$150,994 from the June 30, 2024 balance. The following is additional information by fund which contributed to the change.

General Fund equity decreased from 2024 to 2025 by \$16,550. The decrease is attributable to a decrease in revenues and an increase in expenditures.

Federal Grants Fund continues to receive grant monies and expenditures match the monies received.

The Community Child Care Partnership Grant which is part of Head Start was in its seventh year of operation and as such the expenses were similar to the previous year's expenses. The district partnered with Community Partnership to oversee the programming requirements and the fiscal integrity of the programs. Head Start Fund equity remained constant as this operation is designed to operate on a breakeven basis.

The Debt Service Fund continues to pay down debt related to the refunded bonds. These bonds are expected to be fully amortized by the end of Fiscal Year 2025-2026.

The Food Service Fund continues to receive transfers from the general fund to offset the cost of operations. The District is committed to ensuring all students are given access to nutritious, healthy meals daily.

Capital Assets

As of June 30, 2025, the District had a net of \$12,812,836 invested in a broad range of capital assets, including buildings and improvements, transportation and other equipment. A summary of the District's Capital Assets is as follows:

Governmental Activities	Balance 2024	Additions	Decreases	Balance 2025
Capital Assets not Being depreciated				
Construction in Progress	-	-	-	-
Capital Assets Being Depreciated/Amortized				
Buildings and Improvements	22,445,314	88,557	-	22,533,871
Transportation Equipment	2,341,981	16,797	-	2,358,778
Total Capital Assets	24,787,295	105,354	-	24,892,649
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	(9,836,678)	(492,176)	-	(10,328,854)
Transportation Equipment	(1,499,032)	(251,927)	-	(1,750,959)
Total Accumulated Depreciation/Amortization	(11,335,710)	(744,103)	-	(12,079,813)
Total Capital Assets Being Depreciated/Amortized	13,451,585	(638,749)	-	12,812,836
Net Capital Assets	13,451,585	(638,749)	-	12,812,836

Debt Administration

As of June 30, 2025, the District had total outstanding long-term obligations as follows:

	Balance 2024	Additions	Deletions	Balance 2025
General Obligation Bonds	1,425,000	-	(950,000)	475,000
Deferred Amounts Bond Premium	72,320	-	(48,215)	24,105
Total General Obligation Bonds Payable	1,497,320	-	(998,215)	499,105
Compensated Absences: Leave Liability	545,358	95,806	-	641,164
Leases	120,770	-	(33,779)	86,991
Loans	2,497,544	-	(95,000)	2,402,544
Net Pension/OPEB Liability	11,522,048	86,887	(2,744,875)	8,864,060
Total Long-term Obligations	16,183,040	182,693	(3,871,869)	12,493,864

General Fund Budget

The Board of Education adopts the District's preliminary budget in June of each year. Changes are made mid-year after student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes. The Federal Grant Fund budget is revised as final allocations become known. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization and Specific Ownership Tax.

Economic Factors and Next Year's Budget

The District saw a decrease in pupil enrollment this year due to the economic downturn seen across the country, state and local community. The District is hopeful this will change back to an increase with the growth of the career and technology program option for students with a competency-based education system made possible by the District's passage of a 1% sales tax initiative. The Board of Education and District Administration feel it is important to maintain and continue a strong, stable budget. Beginning fund balances in the General and Capital Reserve Funds need to be increased to ensure two things: 1) sufficient operating capital; and 2) allow enough of a reserve to allow upkeep and maintenance of buildings and grounds. Bond funds have been conservatively invested through UMB. The Board of Education and District Administration are diligent in their efforts to embrace creative budgeting ideas. Both believe that by providing excellence in education in a safe environment that is conducive to learning; the District will benefit from increased student enrollment and continued community support.

Requests for Information

This financial report is designed to provide a general overview of the Cripple Creek - Victor School District RE-1's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business Services, P O Box 897, Cripple Creek, Colorado 80813-0897

BASIC FINANCIAL STATEMENTS

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 5,863,589
Restricted cash and investments	2,012,067
Cash with County Treasurer	55,006
Taxes receivable	178,354
Intergovernmental receivables	739,878
Inventories and prepaid expenses	15,258
Capital assets being depreciated	12,812,836
Total assets	21,676,988
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	26,451
Deferred pension outflows	1,803,578
Deferred OPEB outflows	50,449
Total deferred outflows of resources	1,880,478
LIABILITIES	
Accounts payable and other current liabilities	196,449
Accrued salaries and benefits	432,970
Unearned revenue	693,603
Accrued interest	47,176
Long-term liabilities	
Due within one year	610,443
Due in more than one year	3,019,361
Net pension liability	8,709,529
Net OPEB liability	154,531
Total liabilities	13,864,062
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	1,518,751
Deferred OPEB inflows	140,542
Total deferred inflows of resources	1,659,293
NET POSITION	
Net investment in capital assets	9,850,647
Restricted for:	
Emergency reserve (TABOR)	205,000
Debt service	2,027,951
Other purposes	404,439
Unrestricted	(4,453,926)
Total net position	\$ 8,034,111

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
			Governmental Activities	Governmental Activities
Governmental activities:				
Instruction	\$ 4,010,360	\$ 77,691	\$ -	\$ (652,009)
Supporting services	4,134,693	60	-	(4,134,633)
Food service operations	322,063	-	31,727	(290,336)
Community services	780,200	-	-	(780,200)
Facilities acquisition	122,881	-	-	(122,881)
Interest on long-term debt	162,742	-	-	(162,742)
Total primary government	<u>\$ 9,532,939</u>	<u>\$ 77,751</u>	<u>\$ 3,312,387</u>	<u>\$ (6,142,801)</u>
General revenues:				
Property taxes				6,033,044
State equalization				443,160
Grants and contributions not restricted to specific programs				13,000
Unrestricted investment earnings				279,251
Miscellaneous				101,612
Total general revenues				<u>6,870,067</u>
Change in net position				<u>727,266</u>
Net position - beginning, as restated				7,306,845
Net position - ending				<u>\$ 8,034,111</u>

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Governmental Designated- Purpose Grants Fund	Head Start Fund	Bond Redemption Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 5,370,305	\$ -	\$ 269,641	\$ -	\$ 223,643	\$ 5,863,589
Restricted cash and investments	-	-	-	2,012,067	-	2,012,067
Cash with County Treasurer	51,322	-	-	3,684	-	55,006
Taxes receivable	139,277	-	-	39,077	-	178,354
Intergovernmental receivables	322,771	323,674	81,844	-	11,589	739,878
Due from other funds	504,532	-	72,070	-	597	577,199
Inventories and prepaids	8,297	-	-	-	6,961	15,258
Total assets	\$ 6,396,504	\$ 323,674	\$ 423,555	\$ 2,054,828	\$ 242,790	\$ 9,441,351
LIABILITIES						
Accounts payable and other current liabilities	\$ 137,481	\$ 14,042	\$ 36,013	\$ -	\$ 8,913	\$ 196,449
Accrued salaries and benefits	407,283	12,683	2,349	-	10,655	432,970
Compensated absences	8,882	-	-	-	-	8,882
Due to other funds	417,782	105,979	-	-	53,438	577,199
Unearned revenue	117,440	190,970	385,193	-	-	693,603
Total liabilities	1,088,868	323,674	423,555	-	73,006	1,909,103
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	95,796	-	-	26,877	-	122,673
Total deferred inflows of resources	95,796	-	-	26,877	-	122,673
FUND BALANCES						
Nonspendable for:						
Inventories and prepaid expenses	8,297	-	-	-	6,961	15,258
Restricted for:						
Emergency reserve (TABOR)	205,000	-	-	-	-	205,000
Debt service	-	-	-	2,027,951	-	2,027,951
Preschool	404,439	-	-	-	-	404,439
Committed for:						
Pupil Activities	-	-	-	-	162,823	162,823
Unassigned	4,594,104	-	-	-	-	4,594,104
Total fund balances	5,211,840	-	-	2,027,951	169,784	7,409,575
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,396,504	\$ 323,674	\$ 423,555	\$ 2,054,828	\$ 242,790	\$ 9,441,351

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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	\$	7,409,575
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net of depreciation		12,812,836
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		122,673
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	\$	26,451
Net pension liabilities		(8,709,529)
Pension outflows		1,803,578
Pension inflows		(1,518,751)
Net OPEB liabilities		(154,531)
OPEB outflows		50,449
OPEB inflows		(140,542)
Accrued interest		(47,176)
Compensated absences		(632,282)
Leases payable		(86,991)
Loans payable		(2,402,544)
Unamortized premium on bonds		(24,105)
Bonds payable		(475,000)
		(12,310,973)
Net position of governmental activities in the statement of net position	\$	8,034,111

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Governmental Designated- Purpose Grants Fund	Head Start Fund	Bond Redemption Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Local sources	\$ 5,262,577	\$ -	\$ 9,256	\$ 1,188,341	\$ 81,736	\$ 6,541,910
State sources	1,392,683	-	-	-	18,241	1,410,924
Federal sources	452,676	435,158	1,338,773	-	180,155	2,406,762
Total revenues	<u>7,107,936</u>	<u>435,158</u>	<u>1,348,029</u>	<u>1,188,341</u>	<u>280,132</u>	<u>10,359,596</u>
EXPENDITURES						
Instruction	2,784,984	272,494	408,682	-	7,315	3,473,475
Supporting services	3,704,019	162,127	329,216	-	195	4,195,557
Food service operations	-	-	-	-	318,850	318,850
Community services	169,481	537	610,131	-	71,525	851,674
Facilities acquisition and construction	-	-	-	-	122,881	122,881
Debt service	178,619	-	-	989,033	78,513	1,246,165
Total expenditures	<u>6,837,103</u>	<u>435,158</u>	<u>1,348,029</u>	<u>989,033</u>	<u>599,279</u>	<u>10,208,602</u>
Excess (deficiency) of revenues over expenditures	<u>270,833</u>	<u>-</u>	<u>-</u>	<u>199,308</u>	<u>(319,147)</u>	<u>150,994</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	287,383	287,383
Transfers out	<u>(287,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(287,383)</u>
Total other financing sources (uses)	<u>(287,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,383</u>	<u>-</u>
Net change in fund balances	(16,550)	-	-	199,308	(31,764)	150,994
Fund balances - beginning, as restated	<u>5,228,390</u>	<u>-</u>	<u>-</u>	<u>1,828,643</u>	<u>201,548</u>	<u>7,258,581</u>
Fund balances - ending	<u>\$ 5,211,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,027,951</u>	<u>\$ 169,784</u>	<u>\$ 7,409,575</u>

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

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
RECONCILIATION OF THE 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:	\$	150,994
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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.

Capital outlays	\$ 105,354		
Depreciation	(744,103)		(638,749)

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.		(26,743)
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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.

Repayment of principal	\$ 950,000		
Lease principal	128,779		1,078,779

Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.		(86,924)
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Certain 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.

Pension expenses	\$ 193,643		
OPEB expenses	57,406		
Interest expense	3,537		
Amortization of debt premiums and deferred amounts on refunding	(4,677)		249,909

Change in net position of governmental activities	\$	<u>727,266</u>
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The accompanying notes are an integral part of these financial statements.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	Private- Purpose Trust Fund
ASSETS	
Cash and investments	\$ 5,302
Total assets	\$ 5,302
LIABILITIES	
Accounts payable	\$ -
Total liabilities	-
NET POSITION	
Held in trust for individuals Expendable	5,302
Total net position	\$ 5,302

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE, 30 2025

	Private- Purpose Trust Fund
ADDITIONS	
Investment income	\$ -
Total additions	-
DEDUCTIONS	
Scholarship awards	-
Total deductions	-
Change in net position	-
Net position - beginning	5,302
Net position - ending	\$ 5,302

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

NOTES TO FINANCIAL STATEMENTS

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cripple Creek - Victor School District RE-1 (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 organized by a vote of qualified electorate in 1959, under the provisions of the Colorado School Organization Act of 1957. 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 Board of Education provides educational services to 284.0 FTE students.

The School District serves an area approximately two hundred and sixty six square miles. It encompasses the southwest area of Teller County Colorado.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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.

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 *Governmental Designated-Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Head Start Fund* is used to record financial transactions for grants received for the District's federal Head Start Program.

The *Bond Redemption Fund* accounts for the accumulation of resources restricted for the servicing of the District's general obligation bonds.

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 *Student Activity Fund* is used to account for the revenues and expenditures related to school sponsored student intrascholastic and interscholastic athletic and other related activities. The fund receives subsidies from the General Fund.

Capital Project Funds account for the proceeds, construction and acquisition of capital assets.

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

Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent on behalf of individuals or private organizations.

The *Private-Purpose Trust Fund* reports trust arrangements under which the principal and income benefit scholarship recipients and are not used as part of operations of the District.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 fiduciary fund 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 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*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.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Buildings and improvements	15-45 years
Equipment and vehicles	5-15 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.

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 is a lessee for noncancellable leases of vehicles and equipment. 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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

Cripple Creek - Victor School District RE-1 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post Employment Benefit (OPEB) Plan

Cripple Creek - Victor School District RE-1 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 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.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 10.674 mills for general operating expenses and 1.188 mills for the payment of long-term debt. The District’s assessed valuation for the collection year 2025 is \$413,811,820.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District 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.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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.

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the General Fund and the Student Activity Fund by \$562,291 and \$4,035, respectively. These over-expenditures were funded by other financing sources and/or greater than anticipated revenues.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Deposits	\$ 883,811
Investments	<u>6,991,845</u>
Total	<u>\$ 7,875,656</u>

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

Cash and investments	\$ 5,863,589
Restricted cash and investments	<u>2,012,067</u>
Total	<u>\$ 7,875,656</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 \$883,811 and the bank balances were \$1,077,145. Of the bank balances, \$473,643 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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	\$ <u>6,991,845</u>	Net asset value	Less than 90 days	AAAm

Local Government Investment Pools. The Colorado Local Government Liquid Asset Trust (ColoTrust) is an investment vehicle 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 100.0% of the District’s total investments.

In accordance with state law, the District has designated UMB as the third party custodian for the bond redemption fund. Funds held at June 30, 2025 total \$2,012,067 and are included with the ColoTrust investments above.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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 RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances as of June 30, 2025, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 504,532	\$ 412,782
Designated-Purpose Grants Fund	-	105,979
Head Start Fund	72,070	-
Nonmajor Funds	<u>597</u>	<u>53,438</u>
Total	<u>\$ 577,199</u>	<u>\$ 577,199</u>

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets being depreciated:				
Buildings and improvements	\$ 22,445,314	\$ 88,557	\$ -	\$ 22,533,871
Equipment and vehicles	2,169,388	16,797	-	2,186,185
Total capital assets being depreciated	<u>24,614,702</u>	<u>105,354</u>	<u>-</u>	<u>24,720,056</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,836,678)	(492,176)	-	(10,328,854)
Equipment and vehicles	(1,442,277)	(221,008)	-	(1,663,285)
Total accumulated depreciation	<u>(11,278,955)</u>	<u>(713,184)</u>	<u>-</u>	<u>(11,992,139)</u>
Total capital assets being depreciated, net	<u>13,335,747</u>	<u>(607,830)</u>	<u>-</u>	<u>12,727,917</u>
Lease assets being amortized:				
Equipment and vehicles	172,593	-	-	172,593
Total lease assets being amortized	<u>172,593</u>	<u>-</u>	<u>-</u>	<u>172,593</u>
Less accumulated amortization for:				
Equipment and vehicles	(56,755)	(30,919)	-	(87,674)
Total accumulated amortization	<u>(56,755)</u>	<u>(30,919)</u>	<u>-</u>	<u>(87,674)</u>
Total lease assets being amortized, net	<u>115,838</u>	<u>(30,919)</u>	<u>-</u>	<u>84,919</u>
Capital assets, net of accumulated depreciation/amortization	<u>13,451,585</u>	<u>(638,749)</u>	<u>-</u>	<u>12,812,836</u>
Total governmental activities capital assets	<u>\$ 13,451,585</u>	<u>\$ (638,749)</u>	<u>\$ -</u>	<u>\$ 12,812,836</u>

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

Governmental Activities

Instruction	<u>\$ 744,103</u>
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CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into lease agreements for equipment and vehicles with lease terms ranging from 3 to 5 years. The total costs of these right-to-use lease assets are recorded as \$172,593, less accumulated amortization of \$87,674. The District has determined that as of June 30, 2025, there is no loss associated with an impairment of the right-to-use lease 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	\$ 31,561	\$ 4,350	\$ 35,911
2027	21,420	2,771	24,191
2028	22,491	1,701	24,192
2029	<u>11,519</u>	<u>576</u>	<u>12,095</u>
Total	<u>\$ 86,991</u>	<u>\$ 9,398</u>	<u>\$ 96,389</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. Refunding bonds 2014	\$6,560,000	2.00% - 5.00%	2026	<u>\$ 475,000</u>

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	<u>\$ 475,000</u>	<u>\$ 8,313</u>

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Legal Debt Margin

Assessed valuation	<u>\$ 413,811,820</u>
Debt limit – 20% of assessed valuation	82,762,364
General obligation debt	<u>(475,000)</u>
	<u>\$ 82,287,364</u>

Notes Payable

The District has entered into notes and related financing arrangements as follows:

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<i>Governmental Activities</i>				
Zions Bancorporation 2023 Loan	\$1,000,000	4.84%	2033	\$ 810,000
Farmers Bank and Trust 2023 Loan	\$1,592,544	4.93%	2042	<u>1,592,544</u>
Total				<u>\$ 2,402,544</u>

Annual debt service requirements to maturity for loans are as follows:

	Governmental Activities	
<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 95,000	\$ 117,716
2027	128,144	113,118
2028	139,803	106,886
2029	147,016	100,084
2030	154,821	92,926
2031 – 2035	734,819	342,178
2036 – 2040	724,731	183,038
2041 – 2042	<u>278,210</u>	<u>17,914</u>
Total	<u>\$ 2,402,544</u>	<u>\$ 1,073,860</u>

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Amount Due Within One year
<i>Governmental Activities</i>					
General obligation bonds	\$ 1,425,000	\$ -	\$ (950,000)	\$ 475,000	\$ 475,000
Premiums	72,320	-	(48,215)	24,105	-
Total bonds payable	1,497,320	-	(998,215)	499,105	\$ 475,000
Loans	2,497,544	-	(95,000)	2,402,544	95,000
Leases	120,770	-	(33,779)	86,991	31,561
Compensated Absences	545,358	95,806	-	641,164	8,882
Net pension liability	11,250,397	65,296	(2,606,164)	8,709,529	-
Net OPEB liability	271,651	21,591	(138,711)	154,531	-
<i>Total Governmental Activities</i>	<u>\$ 16,183,040</u>	<u>\$ 182,693</u>	<u>\$ (3,871,869)</u>	<u>\$ 12,493,864</u>	<u>\$ 610,443</u>

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

General obligation bonds are liquidated in the debt service fund. Leases are liquidated in the general 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Cripple Creek - Victor School District RE-1 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2025: Eligible employees of, Cripple Creek - Victor School District RE-1 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 Cripple Creek - Victor School District RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Cripple Creek - Victor School District RE-1 were \$782,510 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$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 Cripple Creek - Victor School District RE-1 proportion of the net pension liability was based on Cripple Creek - Victor School District RE-1 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2025, the Cripple Creek - Victor School District RE-1 reported a liability of \$8,709,529 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 Cripple Creek - Victor School District RE-1 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 Cripple Creek - Victor School District RE-1 were as follows:

Cripple Creek - Victor School District RE-1 proportionate share of the net pension liability	\$ 8,709,529
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Cripple Creek - Victor School District RE-1	782,254
Total	\$ 9,491,783

At December 31, 2024, the Cripple Creek - Victor School District RE-1 proportion was 0.0504756874% which was a decrease of 0.0131454647% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Cripple Creek - Victor School District RE-1 recognized pension expense of \$588,866 and revenue of \$82,495 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Cripple Creek - Victor School District RE-1 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	\$ 493,208	\$ -
Changes of assumptions or other inputs	65,296	-
Net difference between projected and actual earnings on pension plan investments	164,625	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	688,758	1,518,751
Contributions subsequent to the measurement date	391,991	N/A
Total	<u>\$ 1,803,578</u>	<u>\$ 1,518,751</u>

\$391,991 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	\$ 324,295
2027	189,256
2028	(503,520)
2029	(117,195)
2030	-
Thereafter	-

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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 Cripple Creek - Victor School District RE-1 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	\$ 11,808,103	\$ 8,709,529	\$ 6,114,040

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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 OTHERPOST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Cripple Creek - Victor School District RE-1 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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 Cripple Creek - Victor School District RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Cripple Creek - Victor School District RE-1 were \$39,164 for the year ended June 30, 2025.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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 Cripple Creek - Victor School District RE-1 reported a liability of \$154,531 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 Cripple Creek - Victor School District RE-1 proportion of the net OPEB liability was based on Cripple Creek - Victor School District RE-1 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 Cripple Creek - Victor School District RE-1 proportion was 0.0323174579%, which was a decrease of 0.0057435496% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Cripple Creek - Victor School District RE-1 recognized OPEB expense of \$(18,244). At June 30, 2025, the Cripple Creek - Victor School District RE-1 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	\$ -	\$ 34,087
Changes of assumptions or other inputs	1,772	49,396
Net difference between projected and actual earnings on OPEB plan investments	524	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	28,533	57,059
Contributions subsequent to the measurement date	19,620	N/A
Total	\$ 50,449	\$ 140,542

\$19,620 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	\$ (22,657)
2027	(15,392)
2028	(23,861)
2029	(21,256)
2030	(17,469)
Thereafter	(9,078)

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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%

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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 Cripple Creek - Victor School District RE-1 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	\$ 150,368	\$ 154,531	\$ 159,243

¹For the January 1, 2025, plan year.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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 Cripple Creek - Victor School District RE-1 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	\$ 189,381	\$ 154,531	\$ 124,487

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 – DEFINED BENEFIT OTHERPOST 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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – JOINTLY GOVERNED ORGANIZATION

Ute Pass Board of Cooperative Educational Services

The District in conjunction with other surrounding districts created the Ute Pass Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The District does not have an ongoing financial interest in or responsibility for the BOCES. Financial statements for the BOCES can be obtained from their office at 405 El Monte Place, Manitou Springs, Colorado 80829.

Colorado Educational Benefits Trust

Colorado Educational Benefits Trust (CEBT) is a separate legal entity originally established by twenty-two member school districts pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

The purpose of CEBT is to provide members the benefits of decreased costs in obtaining medical, life, dental and vision coverage for the employees of the member districts. The expense of coverage paid to CEBT is paid annually from the fund in which the employee receives compensation. Contingent liability claims for the coverage have not been recognized to date after reviewing claims history and the remoteness of potential loss in excess of school contributions by the District.

It is the intent of the members of CEBT to operate an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with bylaws, any member of CEBT against stated liability or loss to the limit of the financial resources of CEBT. It is also the intent of the members to have CEBT provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CEBT shall be at all times dedicated to the exclusive benefit of its members. CEBT is a separate legal entity and under Colorado Law is not required to prepare budgets. The District does not have the ability to significantly affect the operations of the unit.

Condensed financial information for the CEBT pool for the year ended June 30, 2025 is as follows:

Assets	\$ 64,456,000
Liabilities	<u>(56,704,000)</u>
Net Position	<u>\$ 7,752,000</u>
Revenue	\$ 357,778,000
Expenses	<u>370,993,000</u>
Change in Net Position	<u>\$ (13,215,000)</u>

CEBT issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Trust’s administrator, Willis of Colorado, Inc., 2000 S. Colorado Blvd., Tower II, Suite 900, Denver, CO 80222.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 – 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.

Southern Teller County Public Library District

On August 18, 2014 the District signed a Memorandum of Understanding with the Southern Teller County Public Library District that outlines an operating agreement between the two public entities. The agreement provides for shared costs and services that include occupancy costs, utilities, director salary, and library resources.

NOTE 13 - 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 \$205,000 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.

On November 5, 1997 the registered voters approved a ballot resolution authorizing Cripple Creek - Victor School District RE-1 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 – 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 supplemental 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.

NOTE 15 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

The District 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.

The District identified an error in June 30, 2024 regarding revenue recognition for Head Start. As a result, revenue and accounts receivable were overstated. The error has been corrected by restating prior period financial statements. The impact of this restatement is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	Government-Wide
	General Fund	Governmental Activities
June 30, 2024, as previously reported	\$ 5,353,152	\$ 7,887,559
<i>Error corrections</i>		
Reversal of receivable and related revenue	(124,762)	(124,762)
<i>Adoption of new accounting standard</i>		
GASB 101 implementation	-	(455,952)
June 30, 2024, as restated	\$ 5,228,390	\$ 7,306,845

REQUIRED SUPPLEMENTARY INFORMATION

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0504756874%	0.0636211521%	0.0523304946%	0.0564920143%	0.0604586509%	0.0515019320%	0.0535914482%	0.0603996419%	0.0645587548%	0.0658102844%
District's proportionate share of the net pension liability (asset)	\$ 8,709,529	\$ 11,250,397	\$ 9,529,103	\$ 6,574,182	\$ 9,140,129	\$ 7,694,277	\$ 9,489,467	\$ 19,531,098	\$ 19,221,638	\$ 10,065,218
State's proportionate share of the net pension liability (asset) associated with the District	782,254	246,688	2,776,876	753,647	-	975,921	1,297,553	-	-	-
Total	\$ 9,491,783	\$ 11,497,085	\$ 12,305,979	\$ 7,327,829	\$ 9,140,129	\$ 8,670,198	\$ 10,787,020	\$ 19,531,098	\$ 19,221,638	\$ 10,065,218
District's covered payroll	\$ 3,900,490	\$ 4,205,933	\$ 4,036,693	\$ 3,530,573	\$ 3,233,330	\$ 3,026,578	\$ 2,946,210	\$ 2,786,164	\$ 2,897,513	\$ 2,867,997
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%	282.68%	254.22%	322.09%	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.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 782,510	\$ 842,521	\$ 840,643	\$ 750,889	\$ 662,382	\$ 611,550	\$ 571,411	\$ 523,079	\$ 539,201	\$ 511,117
Contributions in relation to the contractually required contribution	(782,510)	(842,521)	(840,643)	(750,889)	(662,382)	(611,550)	(571,411)	(523,079)	(539,201)	(511,117)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,839,597	\$ 4,134,060	\$ 4,124,843	\$ 3,777,106	\$ 3,331,903	\$ 3,155,574	\$ 2,986,989	\$ 2,770,546	\$ 2,933,631	\$ 2,882,781
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%

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

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.0323174579%	0.0380610075%	0.0397651207%	0.0568840023%	0.0349645220%	0.0335656090%	0.0348347580%	0.0342865141%	0.0366961332%
District's proportionate share of the net OPEB liability (asset)	\$ 154,531	\$ 271,651	\$ 324,674	\$ 318,060	\$ 332,242	\$ 378,300	\$ 473,942	\$ 445,588	\$ 475,778
District's covered payroll	\$ 3,900,490	\$ 4,205,933	\$ 4,036,693	\$ 3,530,573	\$ 3,233,330	\$ 3,026,578	\$ 2,946,210	\$ 2,786,164	\$ 2,897,513
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%	12.50%	16.09%	15.99%	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.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 39,164	\$ 42,167	\$ 42,075	\$ 38,528	\$ 33,988	\$ 32,188	\$ 30,467	\$ 28,232	\$ 29,911
Contributions in relation to the contractually required contribution	(39,164)	(42,167)	(42,075)	(38,528)	(33,988)	(32,188)	(30,467)	(28,232)	(29,911)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 3,839,597	\$ 4,134,060	\$ 4,124,843	\$ 3,777,106	\$ 3,331,903	\$ 3,155,574	\$ 2,986,989	\$ 2,770,546	\$ 2,933,631
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

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation is the Preschool Sub-Fund of the General Fund. This fund allows the District to separate the accounting and maintain a self-balancing set of records specific to this activity.

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

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Property taxes	5,200,355	5,200,355	4,468,029	(732,326)
Other local sources	337,270	337,270	295,348	(41,922)
Total local sources	<u>5,930,457</u>	<u>5,930,457</u>	<u>5,262,577</u>	<u>(667,880)</u>
State sources:				
State equalization	-	-	443,160	443,160
Other state funding	705,712	705,712	949,523	243,811
Total state sources	<u>705,712</u>	<u>705,712</u>	<u>1,392,683</u>	<u>686,971</u>
Federal sources	310,500	310,500	452,676	142,176
Total revenues	<u>6,946,669</u>	<u>6,946,669</u>	<u>7,107,936</u>	<u>161,267</u>
EXPENDITURES				
Instruction	2,802,467	2,802,467	2,784,984	17,483
Supporting services:				
Student services	440,333	440,333	752,178	(311,845)
Instructional staff	327,245	327,245	315,611	11,634
General administration	321,174	321,174	390,059	(68,885)
School administration	621,747	621,747	543,710	78,037
Business services	454,342	454,342	432,761	21,581
Operation and maintenance	651,110	651,110	781,414	(130,304)
Student transportation	431,735	431,735	458,048	(26,313)
Central services	224,659	224,659	-	224,659
Other support services	-	-	30,238	(30,238)
Community services	-	-	169,481	(169,481)
Debt service	-	-	178,619	(178,619)
Total expenditures	<u>6,274,812</u>	<u>6,274,812</u>	<u>6,837,103</u>	<u>(562,291)</u>
Excess (deficiency) of revenues over expenditures	<u>671,857</u>	<u>671,857</u>	<u>270,833</u>	<u>(401,024)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(360,000)</u>	<u>(360,000)</u>	<u>(287,383)</u>	<u>72,617</u>
Total other financing sources (uses)	<u>(360,000)</u>	<u>(360,000)</u>	<u>(287,383)</u>	<u>72,617</u>
Net change in fund balance	311,857	311,857	(16,550)	(328,407)
Fund balance - beginning, as restated	<u>5,162,585</u>	<u>5,162,585</u>	<u>5,228,390</u>	<u>65,805</u>
Fund balance - ending	<u>\$ 5,474,442</u>	<u>\$ 5,474,442</u>	<u>\$ 5,211,840</u>	<u>\$ (262,602)</u>

See the accompanying independent auditors' report.

GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND

This special revenue fund is authorized by Colorado state law to record financial transactions for grants received for designated programs funded by federal, state or local resources.

The Governmental Designated-Purpose Grants Fund is deemed to be a major fund for financial reporting purposes.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Federal sources	\$ 451,699	\$ 451,699	\$ 435,158	(16,541)
Total revenues	451,699	451,699	435,158	(16,541)
EXPENDITURES				
Instruction	451,699	451,699	272,494	179,205
Supporting services:				
Student services	-	-	129,545	(129,545)
Instructional staff	-	-	32,582	(32,582)
Community services	-	-	537	(537)
Total expenditures	451,699	451,699	435,158	16,541
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

HEAD START FUND

The Head Start Fund is a special revenue fund that accounts for the transactions of the federal Head Start program.

The Head Start Fund is deemed to be a major fund for financial reporting purposes.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
HEAD START FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Other local sources	\$ 15,000	\$ 15,000	\$ 9,256	\$ (5,744)
Federal sources	<u>1,746,917</u>	<u>1,746,917</u>	<u>1,338,773</u>	<u>(408,144)</u>
Total revenues	<u>1,761,917</u>	<u>1,761,917</u>	<u>1,348,029</u>	<u>(413,888)</u>
EXPENDITURES				
Instruction	534,160	534,160	408,682	125,478
Supporting services:	-			
Instructional staff	177,027	177,027	135,442	41,585
School administration	236,403	236,403	180,870	55,533
Operation and maintenance	5,578	5,578	4,268	1,310
Student transportation	11,288	11,288	8,636	2,652
Community services	<u>797,461</u>	<u>797,461</u>	<u>610,131</u>	<u>187,330</u>
Total expenditures	<u>1,761,917</u>	<u>1,761,917</u>	<u>1,348,029</u>	<u>413,888</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOND REDEMPTION FUND

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt.

The Bond Redemption Fund is deemed to be a major fund for financial reporting purposes.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
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	\$ 1,006,200	\$ 1,092,556	\$ 86,356
Other local sources	-	95,785	95,785
Total revenues	<u>1,006,200</u>	<u>1,188,341</u>	<u>182,141</u>
EXPENDITURES			
Debt service	<u>1,005,875</u>	<u>989,033</u>	<u>16,842</u>
Total expenditures	<u>1,005,875</u>	<u>989,033</u>	<u>16,842</u>
Net change in fund balance	325	199,308	198,983
Fund balance - beginning	<u>1,812,696</u>	<u>1,828,643</u>	<u>15,947</u>
Fund balance - ending	<u><u>\$ 1,813,021</u></u>	<u><u>\$ 2,027,951</u></u>	<u><u>\$ 214,930</u></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.

Student Activity Fund

This fund accounts for the transactions of student organizations and clubs.

Capital Projects Funds

Capital Project Funds account for the proceeds, construction and acquisition of capital assets.

Capital Projects Fund

This fund accounts for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment and vehicles.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Capital Reserve Fund</u>	
ASSETS				
Cash and investments	\$ -	\$ 223,643	\$ -	\$ 223,643
Intergovernmental receivables	11,589	-	-	11,589
Due from other funds	597	-	-	597
Inventories and prepaids	6,961	-	-	6,961
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 19,147</u>	<u>\$ 223,643</u>	<u>\$ -</u>	<u>\$ 242,790</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 230	\$ 8,683	\$ -	\$ 8,913
Accrued salaries and benefits	10,655	-	-	10,655
Due to other funds	1,301	52,137	-	53,438
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>12,186</u>	<u>60,820</u>	<u>-</u>	<u>73,006</u>
FUND BALANCES				
Nonspendable	6,961	-	-	6,961
Committed for:				
Pupil activities	-	162,823	-	162,823
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>6,961</u>	<u>162,823</u>	<u>-</u>	<u>169,784</u>
Total liabilities and fund balances	<u>\$ 19,147</u>	<u>\$ 223,643</u>	<u>\$ -</u>	<u>\$ 242,790</u>

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Capital Reserve Fund</u>	
REVENUES				
Local sources	\$ 6,116	\$ 69,464	\$ 6,156	\$ 81,736
State sources	18,241	-	-	18,241
Federal sources	180,155	-	-	180,155
Total revenues	<u>204,512</u>	<u>69,464</u>	<u>6,156</u>	<u>280,132</u>
EXPENDITURES				
Instruction	-	7,315	-	7,315
Supporting services	-	195	-	195
Food service operations	318,850	-	-	318,850
Community services	-	71,525	-	71,525
Facilities acquisition and construction	-	-	122,881	122,881
Debt service	-	-	78,513	78,513
Total expenditures	<u>318,850</u>	<u>79,035</u>	<u>201,394</u>	<u>599,279</u>
Excess (deficiency) of revenues over (under) expenditures	(114,338)	(9,571)	(195,238)	(319,147)
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	<u>104,909</u>	<u>-</u>	<u>182,474</u>	<u>287,383</u>
Net change in fund balances	(9,429)	(9,571)	(12,764)	(31,764)
Fund balances - beginning	<u>16,390</u>	<u>172,394</u>	<u>12,764</u>	<u>201,548</u>
Fund balances - ending	<u>\$ 6,961</u>	<u>\$ 162,823</u>	<u>\$ -</u>	<u>\$ 169,784</u>

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	\$ 17,500	\$ 6,116	\$ (11,384)
State sources	37,685	18,241	(19,444)
Federal sources	118,125	180,155	62,030
	<u>173,310</u>	<u>204,512</u>	<u>31,202</u>
Total revenues	<u>173,310</u>	<u>204,512</u>	<u>31,202</u>
EXPENDITURES			
Food service operations	<u>333,223</u>	<u>318,850</u>	<u>14,373</u>
Total expenditures	<u>333,223</u>	<u>318,850</u>	<u>14,373</u>
Excess (deficiency) of revenues over expenditures	(159,913)	(114,338)	45,575
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>160,000</u>	<u>104,909</u>	<u>(55,091)</u>
Net change in fund balance	87	(9,429)	(9,516)
Fund balance - beginning	<u>2,874</u>	<u>16,390</u>	<u>13,516</u>
Fund balance - ending	<u>\$ 2,961</u>	<u>\$ 6,961</u>	<u>\$ 4,000</u>

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
STUDENT 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	\$ 75,000	\$ 69,464	\$ (5,536)
Total revenues	<u>75,000</u>	<u>69,464</u>	<u>(5,536)</u>
EXPENDITURES			
Instruction	75,000	7,315	67,685
Supporting services	-	195	(195)
Community services	-	71,525	(71,525)
Total expenditures	<u>75,000</u>	<u>79,035</u>	<u>(4,035)</u>
Net change in fund balance	-	(9,571)	(9,571)
Fund balance - beginning	<u>190,992</u>	<u>172,394</u>	<u>(18,598)</u>
Fund balance - ending	<u><u>\$ 190,992</u></u>	<u><u>\$ 162,823</u></u>	<u><u>\$ (28,169)</u></u>

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
CAPITAL RESERVE 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	\$ -	\$ 6,156	\$ 6,156
Federal sources	88,000	-	(88,000)
Total revenues	<u>88,000</u>	<u>6,156</u>	<u>(81,844)</u>
EXPENDITURES			
Facilities acquisition and construction	288,512	122,881	165,631
Debt service	-	78,513	(78,513)
Total expenditures	<u>288,512</u>	<u>201,394</u>	<u>87,118</u>
Excess (deficiency) of revenues over expenditures	(200,512)	(195,238)	5,274
OTHER FINANCING SOURCES (USES)			
Transfers out (in)	<u>200,000</u>	<u>182,474</u>	<u>(17,526)</u>
Net change in fund balance	(512)	(12,764)	(12,252)
Fund balance - beginning	<u>4,538</u>	<u>12,764</u>	<u>8,226</u>
Fund balance - ending	<u>\$ 4,026</u>	<u>\$ -</u>	<u>\$ (4,026)</u>

See the accompanying independent auditors' report.

COMPLIANCE SECTION

SINGLE AUDIT

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Additional Award Identification	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture					
<i>Child Nutrition Cluster</i>					
Passed Through Colorado Department of Education					
School Breakfast Program	10.553		4553	\$ -	\$ 38,407
National School Lunch Program	10.555		4555		124,701
Passed Through Colorado Department of Human Services					
National School Lunch Program	10.555		4555		13,486
<i>Total Child Nutrition Cluster</i>					
<u>176,594</u>					
Passed Through Colorado Department of Public Health & Environment					
Child and Adult Care Food Program	10.558		4558		3,562
<u>Total U.S. Department of Agriculture</u>					
<u>180,156</u>					
U.S. Department of Treasury					
Passed Through Colorado Department of Public Health & Environment					
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	7129		108,169
School Nurse Grant	21.027	COVID-19	7131		178,232
<u>Total U.S. Department of Treasury</u>					
<u>286,401</u>					
U.S. Department of Education					
Direct Programs					
Rural Education	84.358		4358		10,000
Passed Through Colorado Department of Education					
Title I Grants to Local Educational Agencies	84.010		4010, 5010		258,132
Twenty-First Century Community Learning Centers	84.287C		7287		152,285
Supporting Effective Instruction State Grants	84.367		4367		21,462
Student Support and Academic Enrichment Program	84.424A		4424		10,615
Education Stabilization Fund					
ESSER III	84.425U	COVID-19	4461		3,730
<u>Total U.S. Department of Education</u>					
<u>456,224</u>					
U.S. Department of Health and Human Services					
Direct Programs					
Head Start	93.600		8600		1,338,773
<u>Total U.S. Department of Health and Human Services</u>					
<u>1,338,773</u>					
Total Federal Awards				<u>\$ -</u>	<u>\$ 2,261,554</u>

See the accompanying independent auditors' report.

CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Cripple Creek - Victor School District RE-1 under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cripple Creek - Victor School District RE-1, it is not intended to and does not present the financial position, changes in net position, or cash flows of Cripple Creek - Victor School District RE-1.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

Cripple Creek - Victor School District RE-1 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2025, Cripple Creek - Victor School District RE-1 received \$13,486 in non-cash assistance in the form of food commodities. Valuation of commodities is based on fair market value at the time of receipt.



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

To the Board of Education
Cripple Creek - Victor School District RE-1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cripple Creek - Victor School District RE-1, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Cripple Creek - Victor School District RE-1's basic financial statements and have issued our report thereon dated March 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cripple Creek - Victor School District RE-1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cripple Creek - Victor School District RE-1's internal control. Accordingly, we do not express an opinion on the effectiveness of Cripple Creek - Victor School District RE-1's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, 2025-004, 2025-005, and 2025-006 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cripple Creek - Victor School District RE-1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed instances of no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cripple Creek - Victor School District RE-1's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Cripple Creek - Victor School District RE-1's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Cripple Creek - Victor School District RE-1's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Hoelting & Company Inc.

Colorado Springs, Colorado
March 10, 2026



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

To the Board of Education
Cripple Creek - Victor School District RE-1

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cripple Creek - Victor School District RE-1's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cripple Creek - Victor School District RE-1's major federal programs for the year ended June 30, 2025. Cripple Creek - Victor School District RE-1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cripple Creek - Victor School District RE-1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Cripple Creek - Victor School District RE-1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cripple Creek - Victor School District RE-1's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cripple Creek - Victor School District RE-1's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cripple Creek - Victor School District RE-1's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cripple Creek - Victor School District RE-1's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cripple Creek - Victor School District RE-1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cripple Creek - Victor School District RE-1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cripple Creek - Victor School District RE-1's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-008 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on Cripple Creek - Victor School District RE-1's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cripple Creek - Victor School District RE-1's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Hoelting & Company Inc.

Colorado Springs, Colorado
March 10, 2026

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-------------------------------------	---

ALN 93.600	Head Start
------------	------------

Dollar threshold used to distinguish between type A and type B programs?	\$750,000
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Auditee qualified as low-risk auditee? yes x no

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section II—Financial Statement Findings

2025-001 Segregation of Duties

Criteria: Financial reporting duties involving the recording, reconciliation and review of financial information should be segregated between staff members.

Condition: Certain procedures involving the recording, reconciliation and review of financial information were not completely segregated during the year.

Cause: Limitations of staff availability.

Effect: Risk of misstatement due to error or fraud.

Recommendation: We recommend management continue their efforts to ensure that an appropriate individual, other than the individual responsible for preparing reconciliations, review and sign off on bank reconciliations, verifying that outstanding items are regularly cleared and that the reconciled balance agrees to the general ledger. This additional review could be performed by a board member or other staff member.

Management response: Management will segregate duties where possible and will consider implementing compensating controls where segregation is not possible.

2025-002 Basis of Accounting—Grants

Criteria: Financial statements of the governmental activities should be prepared on the modified-accrual basis of accounting.

Condition: While the year-end audited financial statements of the governmental activities are prepared on the modified-accrual basis, the grant activities are maintained on the cash basis of accounting during the year.

Cause: Lack of procedures requiring the grant activities to be maintained on the modified accrual basis of accounting.

Effect: Grant receivables, unearned revenues, and revenues were misstated at year-end.

Recommendation: We recommend that management implement procedures to ensure that grant activities are maintained on the modified-accrual basis of accounting throughout the year. If staffing resources do not enable the District to implement the modified-accrual basis throughout the year, we recommend that finance staff prepare year-end workpapers for balance sheet accounts requiring accrual to be posted to the general ledger.

Management response: The District is evaluating its current procedures and will implement the above recommendations to the extent that staffing resources allow.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

2025-003 Bank reconciliation procedures

Criteria: Regular performance of bank reconciliations is a critical control over cash. Bank statements should be reconciled to the general ledger on a monthly basis.

Condition: Bank statements were not reconciled to the general ledger during the year.

Cause: Finance department staff did not complete any bank reconciliations during the year.

Effect: Basic controls over cash were not operating effectively for the year, significantly increasing the risk of misstatement due to error or fraud.

Recommendation: We recommend that all bank accounts are reconciled to the general ledger each month and that these reconciliations be completed within two weeks of month-end. We further recommend that any suspicious reconciling items are promptly investigated and adjusted with adequate explanations.

Management response: Management will implement monthly bank reconciliation procedures.

2025-004 Closing Procedures

Criteria: In order to provide accurate and timely accounting information, effective review and reconciliation policies and procedures are a critical part of the accounting process. A closing process should be in place that requires all balance sheet and other significant accounts in each fund be reconciled to supporting schedules.

Condition: Financial information included errors in certain balance sheet accounts and other significant accounts that were the result of ineffective monitoring and closing processes. These errors caused misstatements on both the balance sheet and statement of revenues, expenditures, and changes in fund balance in all funds.

Cause: Lack of effective closing procedures and a lack of priority over the financial activities and preparation for the audit.

Effect: Misstated balances in balance sheet and other significant accounts in all funds.

Recommendation: First, we recommend that a closing process be implemented that requires all balance sheet accounts be reconciled to supporting schedules and subsidiary ledgers. Second, we recommend that a management level employee perform a thorough and detailed review of the financial statements and supporting schedules on a monthly basis and at year end. Third, we recommend that the finance department utilize the get ready lists and other checklists provided by the auditors to prepare for the audit fieldwork and have all requested documents completed and available when audit fieldwork begins.

Management response: Management will allocate additional resources to staff training and implement procedures that provide for improved closing processes, a more thorough review of financial statements and supporting schedules, and a better preparation for the annual financial audit.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

2025-005 Interfund receivables and payables

Criteria: Interfund receivables and payables result mainly from the time lag between the dates that payments between funds are made.

Condition: Interfund receivable and payable accounts were not reconciled during the year resulting in a \$32,237 adjustment at year end.

Cause: Lack of monthly balancing of interfund receivables and payables and transfers.

Effect: As a result of this issue a \$32,237 adjustment to the General Fund and offsetting entries totaling the same amount in other funds was required to correct interfund receivable and payable balances.

Recommendation: Management should develop a better understanding of the appropriate accounting treatment of interfund receivables and payables and transfers, as well as the appropriate Colorado Department of Education chart of account code to use for each.

Management response: Management will implement procedures to ensure that interfund receivables and payables and transfers are recorded appropriately.

2025-006 Lack of control over recording journal entries

Criteria: Documenting support for all elements of adjusting journal entries is necessary to prevent the possibility of misstatement in financial reporting.

Condition: Certain adjusting journal entries did not contain support for all elements of adjusting journal entries.

Cause: Controls over documenting support for journal entries have not been implemented.

Effect: Basic controls over journal entries were not operating effectively for the year, significantly increasing the risk of misstatement due to error or fraud.

Recommendation: We recommend that the District support all elements of adjusting journal entries with appropriate documentation.

Management response: Management agrees with the finding and will begin documenting support for all elements of adjusting journal entries.

**CRIPPLE CREEK - VICTOR SCHOOL DISTRICT RE-1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.



The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the Cripple Creek - Victor School District RE-1 Schedule of Findings and Questioned Costs for the year ended June 30, 2024. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2025 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Program/ Cluster Title</u>	<u>Finding</u>	<u>Status of Finding</u>
2024-001	N/A	N/A	Segregation of duties	Not corrected. Reported as finding 2025-001. See page 67.
2024-002	N/A	N/A	Basis of accounting - grants	Not corrected. Reported as finding 2025-002. See page 67.
2024-003	N/A	N/A	Bank reconciliation procedures	Not corrected. Reported as finding 2025-003. See page 68.
2024-004	N/A	N/A	Closing procedures	Not corrected. Reported as finding 2025-004. See page 68.
2024-005	N/A	N/A	Interfund receivables and payables	Not corrected. Reported as finding 2025-005. See page 69.
2024-006	N/A	N/A	Lack of control over recording journal entries	Not corrected. Reported as finding 2025-006. See page 69.
2024-007	N/A	N/A	Grant Cash Management	Corrected.
2024-008	N/A	N/A	Reporting for Head Start	Corrected.



CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2025

2025-001 Segregation of Duties

Criteria: Financial reporting duties involving the recording, reconciliation and review of financial information should be segregated between staff members.

Condition: Certain procedures involving the recording, reconciliation and review of financial information were not completely segregated during the year.

Management Response and Planned Corrective Actions: Management agrees with the finding but currently has insufficient personnel/budget resources to implement this control.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: NA.

2025-002 Basis of Accounting—Grants

Criteria: Financial statements of the governmental activities should be prepared on the modified-accrual basis of accounting.

Condition: While the year-end audited financial statements of the governmental activities are prepared on the modified-accrual basis, the grant activities are maintained on the cash basis of accounting during the year.

Management Response and Planned Corrective Actions: Management agrees with the finding but currently has insufficient personnel/budget resources to implement this control.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: NA.

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025**

2025-003 Bank reconciliation procedures

Criteria: Regular performance of bank reconciliations is a critical control over cash. Bank statements should be reconciled to the general ledger on a monthly basis.

Condition: Bank statements were not reconciled to the general ledger during the year.

Management Response and Planned Corrective Actions: Management agrees with the finding and will implement monthly bank reconciliation procedures.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: Summer 2026.

2025-004 Closing Procedures

Criteria: In order to provide accurate and timely accounting information, effective review and reconciliation policies and procedures are a critical part of the accounting process. A closing process should be in place that requires all balance sheet and other significant accounts in each fund be reconciled to supporting schedules.

Condition: Financial information included errors in certain balance sheet accounts and other significant accounts that were the result of ineffective monitoring and closing processes. These errors caused misstatements on both the balance sheet and statement of revenues, expenditures, and changes in fund balance in all funds.

Management Response and Planned Corrective Actions: Management agrees with the finding and will allocate resources to staff training and implement procedures that provide for improved closing processes, a more thorough review of financial statements and supporting schedules, and a better preparation for the annual financial audit.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: Summer 2026.

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025**

2025-005 Interfund receivables and payables

Criteria: Interfund receivables and payables result mainly from the time lag between the dates that payments between funds are made.

Condition: Interfund receivable and payable accounts were not reconciled during the year resulting in a \$32,237 adjustments at year end.

Management Response and Planned Corrective Actions: Management agrees with the finding and will implement procedures to ensure that interfund receivables and payables and transfers are recorded appropriately.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: Summer 2026.

2025-006 Lack of control over recording journal entries

Criteria: Documenting support for all elements of adjusting journal entries is necessary to prevent the possibility of misstatement in financial reporting.

Condition: Certain adjusting journal entries did not contain support for all elements of adjusting journal entries.

Management Response and Planned Corrective Actions: Management agrees with the finding and will begin documenting support for all elements of adjusting journal entries.

Responsibility for Corrective Action: Tana Rice, Business Manager

Anticipated Completion Date: Summer 2026.

STATE COMPLIANCE



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

To the Board of Education
Cripple Creek - Victor School District RE-1

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cripple Creek - Victor School District RE-1, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Cripple Creek - Victor School District RE-1's basic financial statements as listed in the table of contents. Our report thereon, dated March 10, 2026, 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 Cripple Creek - Victor School District RE-1'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.

Colorado Springs, Colorado
March 10, 2026



Colorado Department of Education
Auditors Integrity Report
 District: 3010 - Cripple Creek-Victor RE-1
 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	5,016,880		6,659,061	6,773,788		4,902,154
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	211,510		161,492	63,315		309,687
Sub-Total	5,228,390		6,820,553	6,837,103		5,211,840
11 Charter School Fund	0		0	0		0
20-26-29 Special Revenue Fund	0		1,348,029	1,348,029		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	16,390		309,421	318,851		6,961
22 Govt Designated-Purpose Grants Fund	0		435,158	435,158		0
23 Pupil Activity Special Revenue Fund	172,394		69,464	79,035		162,823
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	1,828,644		1,188,341	989,034		2,027,951
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	12,764		188,630	201,394		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	7,258,563		10,359,596	10,208,604		7,409,575
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60-65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	5,302		0	0		5,302
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	5,302		0	0		5,302
			FINAL			