

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**

FINANCIAL STATEMENTS  
With Independent Auditors' Report

Year Ended June 30, 2025

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Crowley County School District RE-1-J

### **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 Crowley County School District RE-1-J, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Crowley County School District RE-1-J'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 Crowley County School District RE-1-J, 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. 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 Crowley County School District RE-1-J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crowley County School District RE-1-J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Crowley County School District RE-1-J'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 Crowley County School District RE-1-J'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 Crowley County School District RE-1-J's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hoelting & Company, Inc.*

Colorado Springs, Colorado  
January 16, 2026

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

Management of Crowley County School District RE-1J presents the narrative and analysis of the District's financial activities for the fiscal year ended June 30, 2025. The focus of the information is on the primary government General Fund.

The District has implemented the financial reporting model prescribed by the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, this report includes comparisons between the current fiscal year and the prior year to provide meaningful comparative information.

### **Financial Highlights**

- **Governmental activities:** The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$3,157,383. GASB Statements No. 67 and No. 68 require all Colorado Public Employees' Retirement Association (PERA)-affiliated employers to recognize their proportionate share of the net pension liability. As of June 30, 2025, the District's net pension liability was \$6,785,723. Excluding this pension liability, the District's assets would have exceeded its liabilities by \$9,318,789.
- **Governmental funds:** The District's governmental funds reported a combined ending fund balance of \$5,724,553, representing a decrease of \$136,041 compared to the prior fiscal year.
- **Capital and long-term commitments:** In September 2024, the District entered into a new lease agreement for the purchase of a school bus. The lease has a maturity date of September 2027.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Overview of the Financial Statements**

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. This section provides a summary of the District's financial activities and generally includes comparisons to the prior year's results. The Crowley County School District's basic financial statements are comprised of three components: 1) District-wide financial statements; 2) Fund financial statements; and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The district-wide financial statements are designed to provide readers with a broad overview of the School District's finances using accounting methods similar to those used in the private sector.

The Statement of Net Position presents all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these amounts is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the current fiscal year. Revenues and expenses are reported when the underlying event occurs, regardless of when cash is received or paid. As a result, this statement may include revenues and expenses that will not result in cash flows until future fiscal years.

**Governmental Activities**

Governmental activities include most of the District's basic services, such as instruction, transportation, maintenance and operations, administration, food service, and pupil activities. These activities are primarily financed through property taxes and state equalization revenue.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has one type of fund: governmental funds.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Governmental Funds**

The District's basic services are reported in governmental funds, which focus on the determination of financial position and changes in financial position, rather than income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted into cash.

As a result, the governmental fund financial statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information is useful in determining whether there are sufficient financial resources available in the near future to finance the District's programs.

Because the governmental fund statements use a different focus and basis of accounting than the government-wide financial statements, a reconciliation is provided to explain the relationship between governmental activities reported in the Statement of Net Position and Statement of Activities and the governmental funds.

**Notes to the Financial Statements**

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

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Financial Analysis of the District as a Whole**

As of June 30, 2025, the District reported total assets of \$10,216,776, of which approximately 34 percent, or \$3,550,278, was invested in capital assets, including land, sites, buildings, vehicles, infrastructure, and machinery and equipment.

The following table presents the changes in net position for the District during the fiscal year.

**Condensed Statement of Net Position**

	Governmental Activities 2023-2024	Governmental Activities 2024-2025
Current and Other Assets	\$ 6,968,128	\$ 6,579,834
Capital Assets	3,640,990	3,636,942
Total Assets	<u>\$ 10,609,118</u>	<u>\$ 10,216,776</u>
Deferred Outflow of Resources	<u>2,033,709</u>	<u>1,318,779</u>
Current Liabilities	941,928	685,041
Long-Term Liabilities	8,158,702	6,998,669
Total Liabilities	<u>9,100,630</u>	<u>7,683,710</u>
Deferred Inflow of Resources	<u>133,259</u>	<u>694,462</u>
Net Investment in Capital Assets	3,594,289	3,550,278
<i>Restricted for:</i>		
Tabor Reserve	200,000	207,000
Unrestricted	(385,351)	(599,895)
<b>Total Net Position</b>	<u><u>\$ 3,408,938</u></u>	<u><u>\$ 3,157,383</u></u>

In November 2017, the district received a voter-approved mill levy override for 6 mills, with a sunset of ten years. This has helped with the district's costs to purchase textbooks, vehicles, technology, equipment and to maintain a competitive salary structure. Even with the mill levy override, the District continues to try and manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Condensed Statement of Activities**

	Governmental Activities 2023-2024	Governmental Activities 2024-2025
<b>Program Revenues:</b>		
Charges for Services	\$159,344	\$85,660
Operating Grants and Contributions	2,549,190	1,525,813
Capital Grants and Contributions	-	-
<b>Total Program Revenues</b>	<b>2,708,534</b>	<b>1,611,473</b>
<b>General Revenues:</b>		
Taxes	1,547,160	1,683,497
State Equalization	3,688,428	3,963,843
Earnings on Investments	69,066	107,336
Gain on Sale of Capital Assets	-	95,097
Other Revenues	32,600	169,009
<b>Total General Revenues</b>	<b>5,337,254</b>	<b>6,018,782</b>
<b>Total Revenues</b>	<b>8,045,788</b>	<b>7,630,255</b>
<b>Expenses:</b>		
Instructional Staff	3,944,605	3,859,510
Supporting Services:	3,652,124	3,571,661
Food Services	413,968	444,665
Interest and Fiscal Charges	3,014	5,974
<b>Total Expenses</b>	<b>8,013,711</b>	<b>7,881,810</b>
Change in Net Position	32,077	(251,555)
Beginning Net Postion	3,376,861	3,408,938
Prior Period Correction	-	-
<b>Net Position - Ending</b>	<b>\$ 3,408,938</b>	<b>\$ 3,157,383</b>

**Governmental Activities by Major Function**

	2023-2024		2024-2025	
	Total Cost of Service	Net (Cost) Revenue of Service	Total Cost of Service	Net (Cost) Revenue of Service
Instructional Services	\$ 3,944,605	\$ (2,125,542)	\$ 3,859,510	\$ (2,811,992)
Supporting Services	\$ 3,652,124	\$ (3,221,268)	\$ 3,571,661	\$ (3,359,967)
Food Service	\$ 413,968	\$ 44,647	\$ 444,665	\$ (92,404)
Interest and Fiscal Charges	\$ 3,014	\$ (3,014)	\$ 5,974	\$ (5,974)
<b>Total</b>	<b>\$ 8,013,711</b>	<b>\$ (5,305,177)</b>	<b>\$ 7,881,810</b>	<b>\$ (6,270,337)</b>

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

In the two previous tables, some of the more significant changes are illustrated as:

- The cost of instructional and supporting services this year was \$7,875,836, which is a decrease of \$134,861
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$85,660.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$1,525,813.
- The majority of the District's costs, however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$3,963,843 State Equalization revenue from the School Finance Act of 1994. The local share (property tax and mill levy override) of funding was \$1,683,497.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Financial Analysis of the District's Funds**

The District's budget is prepared in accordance with Colorado law and is based on accounting for certain transactions using the cash receipts and disbursements basis of accounting. The most significant budgeted fund is the General Fund.

- The District strives to maintain a balanced budget while adapting to ongoing demographic changes. Efforts focus on efficient staffing, minimizing duplication of services, and maintaining a high-quality, academically enriched learning environment for students.
- In accordance with the Taxpayer's Bill of Rights (TABOR), the District is required to maintain a 3 percent emergency reserve. As of June 30, 2025, the District's TABOR reserve was established at \$207,000.
- Over the past 15 years, the District has undertaken a series of significant facility upgrades and improvements to enhance safety, efficiency, and functionality. Major projects include:
  1. A comprehensive asbestos removal project to ensure safe facilities for students and staff.
  2. District-wide security enhancements and implementation of new security camera systems.
  3. Re-roofing projects at the Elementary School and High School.
  4. Exterior lighting upgrades around all buildings and major parking areas.
  5. Installation of new hardwood gym floors in the Main Gym and Ward Gym.
  6. Purchase of new transportation equipment, including three 48-passenger bus, two 14-passenger buses, and two 12-passenger vans.
  7. Rekeying of all exterior doors and upgrades to security access systems.
  8. Jr./Sr. High School renovations, including the student lounge, staff lounge, all bathrooms, and main offices. New flooring placed in the hallways and entrances.
  9. Elementary School renovations, including the staff lounge and all bathrooms.
  10. Main Gym Hallway and Cafeteria renovations include new flooring in both areas, remodeling of the main gym concession stand, and exterior decorative enhancement.
  11. Upgrades to District technology hardware, including the implementation of an enhanced cloud-based backup system.
  12. Digitized all paper records, enhancing document retention, internal controls, and long-term record preservation.
  13. Upgrades to the pumphouse and irrigation systems to improve efficiency and reliability for District fields and campuses..

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Capital Assets and Debt Administration**

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$3,550,278

<i>Governmental Activities</i>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 135,474	\$ -	\$ (1,625)	\$ 133,849
Construction in progress		28,250		28,250
Total capital assets, not being depreciated	<u>135,474</u>	<u>28,250</u>	<u>(1,625)</u>	<u>162,099</u>
Capital assets being depreciated:				
Buildings and site improvements	9,338,624	19,690	(22,100)	9,336,214
Equipment and vehicles	1,750,754	248,185	(253,029)	1,745,910
Food service equipment	209,042	46,860	(7,217)	248,685
Total capital assets being depreciated	<u>11,298,420</u>	<u>314,735</u>	<u>(282,346)</u>	<u>11,330,809</u>
Less accumulated depreciation for:				
Buildings and site improvements	(6,433,686)	(232,725)	14,989	(6,651,422)
Equipment and vehicles	(1,267,889)	(125,700)	253,029	(1,140,560)
Food service equipment	(133,977)	(19,856)	7,217	(146,616)
Total accumulated depreciation	<u>(7,835,552)</u>	<u>(378,281)</u>	<u>275,235</u>	<u>(7,938,598)</u>
Total capital assets being depreciated, net	3,462,868	(63,546)	(7,111)	3,392,211
Lease assets being amortized:				
Vehicles	-	72,771	-	72,771
Equipment	51,178	-	-	51,178
Total lease assets being amortized	<u>51,178</u>	<u>72,771</u>	<u>-</u>	<u>123,949</u>
Less accumulated amortization for:				
Vehicles	-	(24,257)	-	(24,257)
Equipment	(8,530)	(8,530)	-	(17,060)
Total accumulated amortizaion	<u>(8,530)</u>	<u>(32,787)</u>	<u>-</u>	<u>(41,317)</u>
Total lease assets being amortized, net	<u>42,648</u>	<u>39,984</u>	<u>-</u>	<u>82,632</u>
Capital assets, net of accumulated depreciation/amortization	<u>3,505,516</u>	<u>(23,562)</u>	<u>(7,111)</u>	<u>3,474,843</u>
Total governmental activities capital assets	<u>\$ 3,640,990</u>	<u>\$ 4,688</u>	<u>\$ (8,736)</u>	<u>\$ 3,636,942</u>

At the end of the fiscal year (June 30, 2025) the District had the following schedule in long-term obligations:

<i>Governmental Activities</i>	<u>Beginning Balance</u>	<u>Debt Issued and Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases	\$ 46,701	\$ 72,771	\$ (32,808)	\$ 86,664	\$ 34,449
Compensated absences	123,779	2,503	-	126,282	-
Net pension liability	7,799,886	173,260	(1,305,722)	6,667,424	-
Net OPED liability	188,336	12,507	(82,544)	118,299	-
<i>Total Governmental Activities</i>	<u>\$ 8,158,702</u>	<u>\$ 261,041</u>	<u>\$ (1,421,074)</u>	<u>\$ 6,998,669</u>	<u>\$ 34,449</u>

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Economic Factors Bearing on the District's Future**

The factors affecting the District's budget for the upcoming fiscal year are consistent with those that have impacted Crowley County School District in recent years. These include aging facilities, declining student enrollment, increasing special education costs, rising transportation expenses, and expanded state and federal mandates.

The most significant factor continues to be declining student enrollment. This challenge is not unique to Crowley County School District, but is shared by surrounding districts and many rural communities statewide. In 1996, the District reported a fall student count of 642 students. Enrollment declined to 548 students in 2007, 468 students in 2017, and 332 students in the 2024 fall count. This long-term downward trend has occurred while many fixed operating costs have remained constant or increased, creating ongoing challenges in budgeting and resource allocation.

Another factor affecting the District is the increasing number of students requiring special education services. The County has experienced growth in therapeutic foster home placements, many of which involve students with significant emotional and behavioral needs. These placements often require intensive one-on-one services and specialized transportation. In many cases, the associated funding does not fully cover the level of services required. While the District has been able to accommodate these needs through adjustments to staffing and transportation routes, these services place additional strain on limited resources.

Transportation costs continue to be a significant concern, with over fifty percent of District students eligible for transportation services. Rising fuel prices, increased personnel costs, and equipment maintenance expenses have contributed to escalating transportation expenditures. State transportation funding has not kept pace with these rising costs, resulting in an ongoing funding gap for the District.

Facility needs remain a major challenge. The District has been unable to pass a bond issue to support the repair and renovation of aging buildings. As a result, major improvements have relied on outside foundations, grant funding, and the District's capital project funds. The need for a debt service bond remains critical to address long-term facility needs and reduce the continued diversion of program funds for capital repairs. Due to the District's assessed valuation, bonding capacity is insufficient to support the construction of a new or fully modernized school. Consequently, the District's only viable option is to continue making incremental improvements to existing facilities.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Contacting the District's Financial Management**

This financial report was prepared by the District Chief Financial Officer and is designed to provide a general overview of the Crowley County School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Dawn Chavez  
Chief Financial Officer  
Crowley County School District RE-1J  
1001 Main Street  
Ordway, CO 81063

## **BASIC FINANCIAL STATEMENTS**

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 6,135,206
Cash with county treasurer	131,647
Taxes receivable	175,054
Grants receivable	130,204
Inventories and prepaid items	7,723
Capital assets, not being depreciated	162,099
Capital assets being depreciated	3,474,843
	<b>10,216,776</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension outflows	1,282,927
Deferred OPEB outflows	35,852
	<b>1,318,779</b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	76,101
Accrued salaries and benefits	473,901
Unearned revenue	135,039
Long-term liabilities:	
Due within on year	34,449
Due in more than one year	178,497
Net pension liability	6,667,424
Net OPEB liability	118,299
	<b>7,683,710</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension inflows	605,009
Deferred OPEB inflows	89,453
	<b>694,462</b>
<b>NET POSITION</b>	
Net investment in capital assets	3,550,278
Restricted for:	
Emergency reserve (TABOR)	207,000
Unrestricted	(599,895)
	<b>\$ 3,157,383</b>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 3,859,510	\$ 58,104	\$ 989,414	\$ -	\$ (2,811,992)
Supporting services	3,571,661	-	211,694	-	(3,359,967)
Food service operations	444,665	27,556	324,705	-	(92,404)
Interest and fiscal charges	5,974	-	-	-	(5,974)
Total	<u>\$ 7,881,810</u>	<u>\$ 85,660</u>	<u>\$ 1,525,813</u>	<u>\$ -</u>	<u>(6,270,337)</u>
General revenues:					
Property taxes					1,533,738
Specific ownership taxes					149,759
State equalization					3,963,843
Grants and contributions not restricted to specific programs					168,879
Unrestricted investment earnings					107,336
Gain on sale of capital assets					95,097
Miscellaneous					130
Total general revenues					<u>6,018,782</u>
Change in net position					(251,555)
Net position - beginning					<u>3,408,938</u>
Net position - ending					<u>\$ 3,157,383</u>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,050,157	\$ 787,526	\$ 297,523	\$ 6,135,206
Cash with fiscal agent	131,647	-	-	131,647
Taxes receivable	175,054	-	-	175,054
Grants receivable	82,659	-	47,545	130,204
Inventories and prepaid items	-	-	7,723	7,723
Total assets	<u>\$ 5,439,517</u>	<u>\$ 787,526</u>	<u>\$ 352,791</u>	<u>\$ 6,579,834</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 54,492	\$ -	\$ 21,609	\$ 76,101
Accrued salaries and benefits	473,901	-	-	473,901
Unearned revenue	135,039	-	-	135,039
Total liabilities	<u>663,432</u>	<u>-</u>	<u>21,609</u>	<u>685,041</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	170,240	-	-	170,240
Total deferred inflows of resources	<u>170,240</u>	<u>-</u>	<u>-</u>	<u>170,240</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Inventories and prepaid items	-	-	7,723	7,723
Restricted for:				
Emergency reserve (TABOR)	207,000	-	-	207,000
Committed for:				
Food service operations	-	-	183,357	183,357
Pupil activities	-	-	140,102	140,102
Assigned for:				
Capital projects	-	787,526	-	787,526
Unassigned	4,398,845	-	-	4,398,845
Total fund balances	<u>4,605,845</u>	<u>787,526</u>	<u>331,182</u>	<u>5,724,553</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,439,517</u>	<u>\$ 787,526</u>	<u>\$ 352,791</u>	<u>\$ 6,579,834</u>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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	\$	5,724,553
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$	162,099
Capital assets, net of depreciation/amortization	<u>3,474,843</u>	3,636,942
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		170,240
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Net pension liabilities	\$	(6,667,424)
Pension outflows		1,282,927
Pension inflows		(605,009)
Net OPEB liabilities		(118,299)
OPEB outflows		35,852
OPEB inflows		(89,453)
Compensated absences		(126,282)
Leases payable	<u>(86,664)</u>	<u>(6,374,352)</u>
Net position of governmental activities in the statement of net position	<u>\$</u>	<u>3,157,383</u>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources	\$ 2,079,993	\$ 14,424	\$ 175,889	\$ 2,270,306
State sources	4,733,803	-	5,798	4,739,601
Federal sources	297,044	-	318,908	615,952
	<u>7,110,840</u>	<u>14,424</u>	<u>500,595</u>	<u>7,625,859</u>
<b>EXPENDITURES</b>				
Instruction	3,434,352	-	152,530	3,586,882
Supporting services	3,480,225	257,113	-	3,737,338
Food service operations	-	-	471,669	471,669
Debt service	38,782	-	-	38,782
	<u>6,953,359</u>	<u>257,113</u>	<u>624,199</u>	<u>7,834,671</u>
Excess (deficiency) of revenues over expenditures	<u>157,481</u>	<u>(242,689)</u>	<u>(123,604)</u>	<u>(208,812)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	100,000	-	100,000
Transfers out	(100,000)	-	-	(100,000)
Leases (as lessee)	72,771	-	-	72,771
	<u>(27,229)</u>	<u>100,000</u>	<u>-</u>	<u>72,771</u>
Net change in fund balances	130,252	(142,689)	(123,604)	(136,041)
Fund balances - beginning	<u>4,475,593</u>	<u>930,215</u>	<u>454,786</u>	<u>5,860,594</u>
Fund balances - ending	<u>\$ 4,605,845</u>	<u>\$ 787,526</u>	<u>\$ 331,182</u>	<u>\$ 5,724,553</u>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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:	\$	(136,041)
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	\$ 415,756	
Depreciation/amortization expense	<u>(411,068)</u>	4,688
In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and, thus, is not reported in the funds.		(8,736)
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.		4,635
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	\$ 32,808	
Leases (as lessee)	<u>(72,771)</u>	(39,963)
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.		(2,503)
Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Changes in pension related items	\$ (115,570)	
Changes in OPEB related items	<u>41,935</u>	<u>(73,635)</u>
Change in net position of governmental activities		<u>\$ (251,555)</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Crowley County School District RE-1-J (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 is organized under the Constitution of the State of Colorado. The legislative power of the School District is vested in the Board of Education, consisting of seven members.

The School District is located in Ordway, Colorado. It has about 350 students in grades K-12.

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

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

*B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION*

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

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

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Capital Reserve Fund accounts for the proceeds, construction, and acquisition of capital assets.

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 Pupil Activity Fund accounts for financial transactions related to school sponsored pupil intra-scholastic and interscholastic athletic and other related activities.

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

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 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

*Cash and cash equivalents*

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

*Investments*

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

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Inventories and prepaid items*

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

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

*Capital assets*

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

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

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

Buildings and improvements	10 - 100 years
Equipment	5 - 20 years
Vehicles	7 - 8 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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 a noncancellable lease of 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.

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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*

Crowley County School District RE-1-J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*OPEB*

Crowley County School District RE-1-J 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

*Fund balance classification*

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

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

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

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

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

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

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*E. REVENUES AND EXPENDITURES/EXPENSES*

*Property Taxes*

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

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2024 is 25.449 mills for general operating expenses. The District's assessed valuation for the collection year 2024 is \$57,646,688.

*Specific Ownership Taxes*

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

*Compensated Absences*

The 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budgetary Information*

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

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

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

**NOTE 3 – DEPOSITS AND INVESTMENTS**

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

Deposits	\$ 892,958
Investments	<u>5,242,248</u>
Total	<u>\$ 6,135,206</u>

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

Cash and investments	<u>\$ 6,135,206</u>
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**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*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 \$892,958 and the bank balances were \$986,420 Of the bank balances, \$250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

*Investments*

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

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

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 &amp; Poor’s Rating</u>
ColoTrust	\$ 116,747	Net asset value	Less than 90 days	AAAm
Money Market	3,632,178	Amortized cost	Less than 90 days	AAA
Certificate of Deposit	<u>1,493,323</u>	Amortized cost	Up to one year	AAA
	<u>\$ 5,242,248</u>			

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*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 Money Market and Certificate of Deposit accounts. These investments are 69.3% and 28.5%, respectively, of the District's total investments.

*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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**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.

*Interfund transfers*

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

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 100,000
Capital Reserve Fund	<u>100,000</u>	<u>-</u>
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS**

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

<i>Governmental activities</i>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 135,474	\$ -	\$ (1,625)	\$ 133,849
Construction in progress	-	28,250	-	28,250
Total capital assets, not being depreciated	<u>135,474</u>	<u>28,250</u>	<u>(1,625)</u>	<u>162,099</u>
Capital assets being depreciated:				
Buildings and site improvements	9,338,624	19,690	(22,100)	9,336,214
Equipment and vehicles	1,750,754	248,185	(253,029)	1,745,910
Food service equipment	209,042	46,860	(7,217)	248,685
Total capital assets being depreciated	<u>11,298,420</u>	<u>314,735</u>	<u>(282,346)</u>	<u>11,330,809</u>
Less accumulated depreciation for:				
Buildings and site improvements	(6,433,686)	(232,725)	14,989	(6,651,422)
Equipment and vehicles	(1,267,889)	(125,700)	253,029	(1,140,560)
Food service equipment	(133,977)	(19,856)	7,217	(146,616)
Total accumulated depreciation	<u>(7,835,552)</u>	<u>(378,281)</u>	<u>275,235</u>	<u>(7,938,598)</u>
Total capital assets being depreciated, net	<u>3,462,868</u>	<u>(63,546)</u>	<u>(7,111)</u>	<u>3,392,211</u>
Lease assets being amortized:				
Vehicles	-	72,771	-	72,771
Equipment	51,178	-	-	51,178
Total lease assets being amortized	<u>51,178</u>	<u>72,771</u>	<u>-</u>	<u>123,949</u>
Less accumulated amortization for:				
Vehicles	-	(24,257)	-	(24,257)
Equipment	(8,530)	(8,530)	-	(17,060)
Total accumulated amortization	<u>(8,530)</u>	<u>(32,787)</u>	<u>-</u>	<u>(41,317)</u>
Total lease assets being amortized, net	<u>42,648</u>	<u>39,984</u>	<u>-</u>	<u>82,632</u>
Capital assets, net of accumulated depreciation/amortization	<u>3,505,516</u>	<u>(23,562)</u>	<u>(7,111)</u>	<u>3,474,843</u>
Total governmental activities capital assets	<u>\$ 3,640,990</u>	<u>\$ 4,688</u>	<u>\$ (8,736)</u>	<u>\$ 3,636,942</u>

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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

*Governmental Activities*

Instruction	\$ 277,708
Supporting services	113,504
Food service	19,856
Total depreciation/amortization expense	\$ 411,068

**NOTE 6 – LEASES**

*District as lessee*

The District, as a lessee, has entered into a lease agreement for vehicles and equipment with lease terms of 3-6 years. The total costs of these right-to-use lease assets are recorded as \$123,949, less accumulated amortization of \$41,317. 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:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 34,449	\$ 4,333	\$ 38,782
2027	36,171	2,611	38,782
2028	11,258	802	12,060
2029	4,786	239	5,025
Total	\$ 86,664	\$ 7,985	\$ 94,649

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – LONG-TERM LIABILITIES**

*Changes in Long-Term Liabilities*

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

<i>Governmental Activities</i>	<u>Beginning Balance</u>	<u>Debt Issued and Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases	\$ 46,701	\$ 72,771	\$ (32,808)	\$ 86,664	\$ 34,449
Compensated absences	123,779	2,503	-	126,282	-
Net pension liability	7,799,886	173,260	(1,305,722)	6,667,424	-
Net OPEB liability	188,336	12,507	(82,544)	118,299	-
<i>Total Governmental Activities</i>	<u>\$ 8,158,702</u>	<u>\$ 261,041</u>	<u>\$ (1,421,074)</u>	<u>\$ 6,998,669</u>	<u>\$ 34,449</u>

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

The note payable and 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 Crowley County School District RE-1-J 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](http://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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Contributions provisions as of June 30, 2025:* Eligible employees of, Crowley County School District RE-1-J 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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

\*\*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 Crowley County School District RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District RE-1-J were \$603,851 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 Crowley County School District RE-1-J proportion of the net pension liability was based on Crowley County School District RE-1-J 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

At June 30, 2025, the Crowley County School District RE-1-J reported a liability of \$6,667,424 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 Crowley County School District RE-1-J 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 Crowley County School District RE-1-J were as follows:

Crowley County School District RE-1-J proportionate share of the net pension liability	\$ 6,667,424
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Crowley County School District RE-1-J	598,841
Total	\$ 7,266,265

At December 31, 2024, the Crowley County School District RE-1-J proportion was 0.0386407620%, which was a decrease of 0.0054677004% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Crowley County School District RE-1-J recognized pension expense of \$719,420 and revenue of \$63,153 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Crowley County School District RE-1-J 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	\$ 377,566	\$ -
Changes of assumptions or other inputs	49,986	-
Net difference between projected and actual earnings on pension plan investments	125,796	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	428,661	605,009
Contributions subsequent to the measurement date	300,918	N/A
Total	<u>\$ 1,282,927</u>	<u>\$ 605,009</u>

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

\$300,918 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	\$ 430,616
2027	328,105
2028	(292,003)
2029	(89,718)
2030	-

*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 <sup>1</sup>	Financed by the AIR

<sup>1</sup> 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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.

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

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

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

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

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%.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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.

	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Pre-Retirement	PubT-2010 Employee	N/A
		<b>Males:</b> 106% of the rates for all ages
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	<b>Females:</b> 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	<b>Males:</b> 92% of the rates for all ages <b>Females:</b> 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
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 Crowley County School District RE-1-J 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	\$ 9,039,482	\$ 6,667,424	\$ 4,680,494

*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](http://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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Subsequent Events**

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

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

*General Information about the OPEB Plan*

*Plan description.* Eligible employees of the Crowley County School District RE-1-J 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](http://www.copera.org/forms-resources/financial-reports-and-studies).

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

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

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

*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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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 Crowley County School District RE-1-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Crowley County School District RE-1-J were \$30,222 for the year ended June 30, 2025.

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

At June 30, 2025, the Crowley County School District RE-1-J reported a liability of \$118,299 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 Crowley County School District RE-1-J proportion of the net OPEB liability was based on Crowley County School District RE-1-J contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

At December 31, 2024, the Crowley County School District RE-1-J proportion was 0.0247401056%, which was a decrease of 0.0016476137% from its proportion measured as of December 31, 2023. For the year ended June 30, 2025, the Crowley County School District RE-1-J recognized OPEB expense of \$11,715. At June 30, 2025, the Crowley County School District RE-1-J 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	\$ -	\$ 26,094
Changes of assumptions or other inputs	1,356	37,814
Net difference between projected and actual earnings on OPEB plan investments	401	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	19,034	25,545
Contributions subsequent to the measurement date	15,061	N/A
<b>Total</b>	<b>\$ 35,852</b>	<b>\$ 89,453</b>

\$15,061 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	\$ (16,951)
2027	(9,491)
2028	(13,408)
2029	(14,156)
2030	(9,938)
Thereafter	(4,718)

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

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

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

Age-Related Morbidity Assumptions

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

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

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

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

<b>Year</b>	<b>PERACare Medicare Plans<sup>1</sup></b>	<b>MAPD PPO #21</b>	<b>Medicare Part A Premiums</b>
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%

<sup>1</sup> Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

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.

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025**

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

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%

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

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

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) 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%.

*Sensitivity of the Crowley County School District RE-1-J 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 <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 115,112	\$ 118,299	\$ 121,906

<sup>1</sup>For the January 1, 2025, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

- 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 Crowley County School District RE-1-J 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	\$ 144,977	\$ 118,299	\$ 95,299

*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](http://www.copera.org/forms-resources/financial-reports-and-studies).

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; general liability; unemployment; and employee benefit expenses related to health programs.

The District is provided with property and liability insurance through the Colorado School Districts Self Insurance Pool. The District carries commercial insurance for worker's compensation and medical coverage. Settled claims resulting from these risks have not exceeded the insurance coverage for each of the past three years.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 11 – JOINTLY GOVERNED ORGANIZATION**

The District is a participant with other school districts in a joint venture known as South Central Board of Cooperative Educational Services (Cooperative). The Cooperative is organized under provisions of Colorado law to provide special education services to member school districts in the Cooperative's general area. The member school districts provide approximately 60% of the Cooperative's total annual financial resources and each member district appoints a member of its board of education to serve on the governing body of the Cooperative. For the year ended June 30, 2025, the District purchased no services from the Cooperative. Complete financial statements for the Cooperative can be obtained from their administrative office at 323 S. Purcell Boulevard; Pueblo West, CO, 81007.

**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.

**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 \$207,000 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 7, 1995, the registered voters approved a ballot resolution authorizing Crowley County School District RE-1-J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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 supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**JUNE 30, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0386407620%	0.0441084624%	0.0371%	0.0374%	0.0405%	0.0380%	0.0397%	0.0441%	0.0464%	0.0488%
District's proportionate share of the net pension liability (asset)	\$ 6,667,424	\$ 7,799,886	\$ 6,751,913	\$ 4,358,086	\$ 6,130,013	\$ 5,675,331	\$ 7,024,976	\$ 14,252,929	\$ 13,818,173	\$ 7,466,484
State's proportionate share of the net pension liability (asset) associated with the District	598,841	171,028	1,967,575	499,599	-	719,843	960,570	-	-	-
<b>Total</b>	<u>\$ 7,266,265</u>	<u>\$ 7,970,914</u>	<u>\$ 8,719,488</u>	<u>\$ 4,857,685</u>	<u>\$ 6,130,013</u>	<u>\$ 6,395,174</u>	<u>\$ 7,985,546</u>	<u>\$ 14,252,929</u>	<u>\$ 13,818,173</u>	<u>\$ 7,466,484</u>
District's covered payroll	\$ 2,985,951	\$ 2,915,968	\$ 2,920,131	\$ 2,579,221	\$ 2,171,224	\$ 2,188,758	\$ 2,239,841	\$ 2,081,209	\$ 2,056,027	\$ 2,105,710
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223.29%	267.49%	231%	169%	282%	259%	313%	685%	672%	355%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%

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

See the accompanying independent auditors' report.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION**  
**JUNE 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 603,851	\$ 616,640	\$ 595,123	\$ 512,749	\$ 431,639	\$ 424,181	\$ 428,482	\$ 393,063	\$ 377,851	\$ 373,285
Contributions in relation to the contractually required contribution	<u>(603,851)</u>	<u>(616,640)</u>	<u>(595,123)</u>	<u>(512,749)</u>	<u>(431,639)</u>	<u>(424,181)</u>	<u>(428,482)</u>	<u>(393,063)</u>	<u>(377,851)</u>	<u>(373,285)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,962,958	\$ 3,025,712	\$ 2,920,131	\$ 2,579,221	\$ 2,171,224	\$ 2,188,758	\$ 2,239,841	\$ 2,081,209	\$ 2,056,027	\$ 2,105,710
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.89%	18.38%	17.73%

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

See the accompanying independent auditors' report.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J  
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
JUNE 30, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.0247401056%	0.0263877193%	0.0282%	0.0245%	0.0234%	0.0248%	0.0258%	0.0250%	0.0264%
District's proportionate share of the net OPEB liability (asset)	\$ 118,299	\$ 188,336	\$ 229,925	\$ 210,846	\$ 222,824	\$ 279,079	\$ 350,855	\$ 325,476	\$ 342,029
District's covered payroll	\$ 2,985,951	\$ 2,915,968	\$ 2,920,131	\$ 2,579,221	\$ 2,171,224	\$ 2,188,758	\$ 2,239,841	\$ 2,081,209	\$ 2,056,027
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	3.96%	6.46%	7.87%	8.17%	10.26%	12.75%	15.66%	15.64%	16.64%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

\* 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.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB**  
**JUNE 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 30,222	\$ 30,862	\$ 29,785	\$ 26,308	\$ 22,146	\$ 22,325	\$ 22,846	\$ 21,228	\$ 20,971
Contributions in relation to the contractually required contribution	<u>(30,222)</u>	<u>(30,862)</u>	<u>(29,785)</u>	<u>(26,308)</u>	<u>(22,146)</u>	<u>(22,325)</u>	<u>(22,846)</u>	<u>(21,228)</u>	<u>(20,971)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Districts covered payroll	\$ 2,962,958	\$ 3,025,712	\$ 2,920,131	\$ 2,579,221	\$ 2,171,224	\$ 2,188,758	\$ 2,239,841	\$ 2,081,209	\$ 2,056,027
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

See the accompanying independent auditors' report.

## **GENERAL FUND**

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

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ 1,886,596	\$ 1,847,039	\$ 2,079,993	\$ 232,954
State sources	4,257,657	4,399,563	4,733,803	334,240
Federal sources	266,544	313,866	297,044	(16,822)
Total revenues	<u>6,410,797</u>	<u>6,560,468</u>	<u>7,110,840</u>	<u>550,372</u>
<b>EXPENDITURES</b>				
Instruction	3,519,908	3,652,254	3,434,352	217,902
Supporting services				
Student support	232,950	256,700	245,991	10,709
Instructional staff	81,135	81,135	80,206	929
General administration	327,810	582,080	568,222	13,858
School administration	510,535	518,050	510,071	7,979
Business services	157,075	136,850	223,887	(87,037)
Operations and maintenance	1,117,387	986,745	901,187	85,558
Student transportation	301,930	426,600	373,124	53,476
Central support service	348,000	668,000	577,537	90,463
Debt Service				
Principal	-	26,725	32,808	(6,083)
Interest and other charges	-	-	5,974	(5,974)
Contingency reserves	<u>3,794,067</u>	<u>3,600,922</u>	<u>-</u>	<u>3,600,922</u>
Total expenditures	<u>10,390,797</u>	<u>10,936,061</u>	<u>6,953,359</u>	<u>3,982,702</u>
Excess (deficiency) of revenues over expenditures	<u>(3,980,000)</u>	<u>(4,375,593)</u>	<u>157,481</u>	<u>4,533,074</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(200,000)	(100,000)	(100,000)	-
Leases (as lessee)	<u>-</u>	<u>-</u>	<u>72,771</u>	<u>72,771</u>
Total other financing source (uses)	<u>(200,000)</u>	<u>(100,000)</u>	<u>(27,229)</u>	<u>72,771</u>
Net change in fund balances	(4,180,000)	(4,475,593)	130,252	4,605,845
Fund balances - beginning	<u>4,180,000</u>	<u>4,475,593</u>	<u>4,475,593</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,605,845</u>	<u>\$ 4,605,845</u>

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **CAPITAL RESERVE FUND**

This fund is used to account for significant capital expenditures of the District, including the acquisition of sites, buildings, equipment, and vehicles.

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

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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>
<b>REVENUES</b>			
Local sources:			
Other local sources	\$ 4,000	\$ 14,424	\$ 10,424
Total revenues	<u>4,000</u>	<u>14,424</u>	<u>10,424</u>
<b>EXPENDITURES</b>			
Supporting services:			
Student services	-	1,500	(1,500)
Operation and maintenance	325,000	255,613	69,387
Contingency reserves	<u>709,215</u>	<u>-</u>	<u>709,215</u>
Total expenditures	<u>1,034,215</u>	<u>257,113</u>	<u>777,102</u>
Excess (deficiency) of revenues over expenditures	(1,030,215)	(242,689)	787,526
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(930,215)	(142,689)	787,526
Fund balance - beginning	<u>930,215</u>	<u>930,215</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 787,526</u>	<u>\$ 787,526</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. The District has the following Special Revenue Funds:

#### *Food Service Fund*

This fund accounts for transactions related to food service operations. It also accounts for USDA school breakfast/lunch money.

#### *Pupil Activity Fund*

This fund accounts for financial transactions related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	<b>Special Revenue Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Food Service Fund</b>	<b>Pupil Activity Fund</b>	
<b>ASSETS</b>			
Cash and investments	\$ 157,421	\$ 140,102	\$ 297,523
Grants receivable	47,545	-	47,545
Inventories	7,723	-	7,723
	<u>\$ 212,689</u>	<u>\$ 140,102</u>	<u>\$ 352,791</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 21,609	\$ -	\$ 21,609
	<u>21,609</u>	<u>-</u>	<u>21,609</u>
<b>FUND BALANCES</b>			
Nonspendable	7,723	-	7,723
Committed	183,357	140,102	323,459
	<u>191,080</u>	<u>140,102</u>	<u>331,182</u>
Total liabilities and fund balances	<u>\$ 212,689</u>	<u>\$ 140,102</u>	<u>\$ 352,791</u>

See the accompanying independent auditors' report.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**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>		<b>Total Nonmajor Governmental Funds</b>
	<b>Food Service Fund</b>	<b>Pupil Activity Fund</b>	
<b>REVENUES</b>			
Local sources	\$ 30,223	\$ 145,666	\$ 175,889
State sources	5,798	-	5,798
Federal sources	318,908	-	318,908
Total revenues	<u>354,929</u>	<u>145,666</u>	<u>500,595</u>
<b>EXPENDITURES</b>			
Instruction	-	152,530	152,530
Food service operations	471,669	-	471,669
Total expenditures	<u>471,669</u>	<u>152,530</u>	<u>624,199</u>
Net change in fund balances	(116,740)	(6,864)	(123,604)
Fund balances - beginning	<u>307,820</u>	<u>146,966</u>	<u>454,786</u>
Fund balances - ending	<u>\$ 191,080</u>	<u>\$ 140,102</u>	<u>\$ 331,182</u>

See the accompanying independent auditors' report.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Local sources	\$ 15,550	\$ 30,223	\$ 14,673
State sources	29,000	5,798	(23,202)
Federal sources	357,500	318,908	(38,592)
	<u>402,050</u>	<u>354,929</u>	<u>(47,121)</u>
<b>EXPENDITURES</b>			
Food service operations	610,000	471,669	138,331
Contingency reserves	99,870	-	99,870
	<u>709,870</u>	<u>471,669</u>	<u>238,201</u>
Net change in fund balances	(307,820)	(116,740)	191,080
Fund balances - beginning	<u>307,820</u>	<u>307,820</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 191,080</u>	<u>\$ 191,080</u>

See the accompanying independent auditors' report.

**CROWLEY COUNTY SCHOOL DISTRICT RE-1-J**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**PUPIL ACTIVITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Local sources	\$ 130,000	\$ 145,666	\$ 15,666
Total revenues	<u>130,000</u>	<u>145,666</u>	<u>15,666</u>
<b>EXPENDITURES</b>			
Instruction	130,000	152,530	(22,530)
Contingency reserves	<u>146,966</u>	<u>-</u>	<u>146,966</u>
Total expenditures	<u>276,966</u>	<u>152,530</u>	<u>124,436</u>
Net change in fund balances	(146,966)	(6,864)	140,102
Fund balances - beginning	<u>146,966</u>	<u>146,966</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 140,102</u></u>	<u><u>\$ 140,102</u></u>

See the accompanying independent auditors' report.

## **STATE COMPLIANCE**



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

To the Board of Education  
Crowley County School District RE-1-J

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crowley County School District RE-1-J, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Crowley County School District RE-1-J's basic financial statements as listed in the table of contents. Our report thereon, dated January 16, 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 Crowley County School District RE-1-J'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  
January 16, 2026



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0770 - Crowley County RE-1-J  
 Fiscal Year 2024-25  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,475,593	7,083,611	6,953,359	4,605,845
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>4,475,593</b>	<b>7,083,611</b>	<b>6,953,359</b>	<b>4,605,845</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	307,820	354,929	471,669	191,080
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	146,966	145,666	152,531	140,102
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	930,215	114,424	257,113	787,526
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>5,860,595</b>	<b>7,698,630</b>	<b>7,834,672</b>	<b>5,724,553</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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