

GILPIN COUNTY SCHOOL DISTRICT RE-1

FINANCIAL STATEMENTS

June 30, 2025

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Education
Gilpin County School District RE-1
Black Hawk, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County School District RE-1 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Gilpin County School District RE-1 as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in The United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gilpin County School District RE-1 and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 46-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund financial statements and schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luttrell & Associates, LLC

February 11, 2026

*Management's Discussion and Analysis Gilpin
County School District*
June 30, 2025

As management of Gilpin County School District RE-1, we offer readers of Gilpin County School District's financial statements this narrative overview and analysis of the financial activities of the Gilpin County School District RE-1 for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the district's financial statements, which follow this narrative.

Financial Highlights

- On June 30, 2025, the district reported a total liability of \$15,564,253. This includes the district's share of the net pension liability of \$7,873,791 as deemed by GASB 68.
- The district's total net position at year end was \$24,420,288.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Gilpin County School District RE-1's basic financial statements. The district's basic financial statements consist of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the district through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Gilpin County School District RE-1.

Required Components of Annual Financial Report

Basic Financial Statements

The first two statements (Pages 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the school's financial status.

The next statements (Pages 3 and 4) are **Fund Financial Statements**.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the budgetary information for the district.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the district's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the district's financial status.

The two government-wide statements report the district's net assets and how they have changed. Net assets are the difference between the district's total assets and total liabilities. Measuring net assets is one way to gauge the district's financial condition.

The government-wide financial statements are on pages 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the district's most significant activities on a fund accounting basis. 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. Gilpin County School District RE-1 uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The district's basic services are accounted for in a governmental fund. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus.

As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the district's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Gilpin County School District RE-1 adopts an annual budget on a fund basis. The budgetary comparison statements are not included in the basic financial statements but are part of the supplemental statements and schedules that follow the notes. The budget is a legally adopted document that incorporates input from the faculty, management, and the Board of Education of the District in determining what activities will be pursued and what services will be provided by the school during the year. It also authorizes the district to obtain funds from identified sources to finance these current period activities. The budgetary statement provided demonstrates how well the school has complied with the budget ordinance and whether the school has succeeded in providing the services as planned when the budget was adopted.

Management Discussion and Analysis
 Gilpin County School District RE-1
 June 30, 2025

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

Government-Wide Financial Analysis

The Net Position of the government type activities is \$24,420,288..

Gilpin County School District RE-1 Net Position

	Governmental Activities	
	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash	\$ 11,893,865	\$ 18,204,482
Accounts Receivable	5,034,251	140,784
Inventory	7,520	7,520
Prepaid Expenses	797	14,510
Capital Assets – Not Depreciated	\$5,684,774	594,879
Capital Assets, Net of Accumulated Depreciation	16,307,637	16,793,940
<i>Total Assets:</i>	<u>\$ 38,928,844</u>	<u>\$ 35,756,115</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,034,549	1,507,946
Related to OPEB	21,148	28,128
<i>Total Deferred Outflows of Resources:</i>	<u>\$ 1,055,697</u>	<u>\$ 1,536,074</u>

LIABILITIES

Accounts Payable	\$ 1,310,677	\$ 83,492
Accrued Salary and Benefits Liability	647,533	565,996
Unearned Revenues	175,709	520,800
Loan Payable Due in One Year	357,891	369,177
Loan Payable due in More than One Year	3,549,854	3,927,534
Net Pension Liabilities	7,873,791	9,415,707
Net OPEB Liability	139,703	\$ 227,352
<i>Total Liabilities:</i>	<u>\$ 14,055,158</u>	<u>\$ 15,110,058</u>

DEFERRED INFLOWS OF RESOURCES

Related to Pensions	\$ 1,367,938	\$ 685,521
Related to OPEB	141,157	138,215
<i>Total Deferred Inflows of Resources:</i>	<u>\$ 1,509,095</u>	<u>\$ 823,736</u>

NET POSITION

Investment in Capital Assets	\$ 18,084,666	\$ 13,092,108
Restricted for Emergencies (Tabor)	88,000	341,000
Unrestricted	6,247,622	7,925,287
<i>Total Net Position:</i>	<u>\$ 24,420,288</u>	<u>\$ 21,358,395</u>

Gilpin County School District RE-1 Statement of
Activities

	<u>2025</u>	<u>2024</u>
<u>Revenues</u>		
Local Property Taxes	\$ 4,507,898	\$ 4,420,798
Specific Ownership Taxes	103,902	217,690
Other Taxes	1,987,384	1,807,508
State Equalization	2,516,985	2,125,384
Other Revenues	117,583	125,332
Earnings on Investments	717,322	608,656
Unrestricted State Aid	68,433	18,911
Charges for Services	199,615	209,965
Operating Grants	974,940	680,573
<i>Total Revenues:</i>	<u>\$ 11,194,062</u>	<u>\$ 10,214,817</u>

Expenses

Instructional	\$ 3,675,014	\$ 3,565,748
Support	4,680,728	4,470,347
Interest & Fiscal Charges	192,466	43,407
<i>Total Expenses:</i>	<u>\$ 8,548,208</u>	<u>\$ 8,079,502</u>
Change in Net Position	\$ 2,645,854	\$ 2,135,315
Fund Balance, Beginning, Restated	\$ 21,774,434	\$ 19,223,080
Fund Balance, Ending	\$ 24,420,288	\$ 21,358,395

Governmental activities: Governmental activities increased the district's net assets by \$2,645,854 for the year 2024-2025.

Financial Analysis of the School's Funds

As noted earlier, **Gilpin County School District RE-1** uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Gilpin County School District RE-1's general fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Gilpin County School District RE-1's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,609,374, while total fund balance increased to \$3,698,171,. The district is required by statute to keep an emergency reserve, which was \$88,000 as of June 30, 2025.

Capital Asset and Debt Administration

Capital assets. Gilpin County School District RE-1's investment in capital assets \$6,247,622, on June 30, 2025. It consists primarily of buildings & improvements but also includes land, equipment, and vehicles. More details can be found in note 5 of the footnotes to the financial statements.

Economic Factors

The following key economic indicators were considered in the school's budget:

- 383.5 student funded pupil count
- An increase in PPR due to a change in state funding
- Increase to fund balance is lower than prior years due to capital outlay of the sewer project over the course of FY2025. \$5,089,895 spent in time and materials was expensed in FY25.

Requests for Information

This report is designed to provide an overview of the school's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Superintendent, Gilpin County School District RE-1, 10595 Highway 119 Black Hawk, CO 80422.

BASIC FINANCIAL STATEMENTS

GILPIN COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	
	2025	2024
ASSETS		
Cash and Investments	\$ 11,893,865	\$ 18,204,482
Taxes Receivable	4,501,489	114,051
Grants Receivable	107,488	12,796
Accounts Receivable	425,274	13,937
Prepaid Items	797	14,510
Inventories	7,520	7,520
Capital Assets, Not Depreciated	5,684,774	594,879
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>16,307,637</u>	<u>16,793,940</u>
TOTAL ASSETS	<u>38,928,844</u>	<u>35,756,115</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,034,549	1,507,946
Related to OPEB	<u>21,148</u>	<u>28,128</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,055,697</u>	<u>1,536,074</u>
LIABILITIES		
Accounts Payable	1,091,392	83,492
Accrued Expenses	219,285	-
Accrued Salaries and Benefits	647,533	565,996
Unearned Revenues	175,709	520,800
Noncurrent Liabilities		
Net Pension Liability	7,873,791	9,415,707
Net OPEB Liability	139,703	227,352
Due Within One Year	357,891	369,177
Due in More Than One Year	<u>3,549,854</u>	<u>3,927,534</u>
TOTAL LIABILITIES	<u>14,055,158</u>	<u>15,110,058</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	1,367,938	685,521
Related to OPEB	<u>141,157</u>	<u>138,215</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,509,095</u>	<u>823,736</u>
NET POSITION		
Net Investment in Capital Assets	18,084,666	13,092,108
Restricted for Emergencies	88,000	341,000
Unrestricted	<u>6,247,622</u>	<u>7,925,287</u>
TOTAL NET POSITION	<u>\$ 24,420,288</u>	<u>\$ 21,358,395</u>

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			Net (Expense) Revenue and and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2025	2024
PRIMARY GOVERNMENT						
Governmental Activities						
Instruction	\$ 3,675,014	\$ -	\$ 553,237	\$ -	\$ (3,121,777)	\$ (3,149,856)
Supporting Services	4,680,728	199,615	421,703	-	(4,059,410)	(3,995,701)
Interest and Fiscal Charges	192,466	-	-	-	(192,466)	(43,407)
Total Governmental Activities	<u>8,548,208</u>	<u>199,615</u>	<u>974,940</u>	<u>-</u>	<u>(7,373,653)</u>	<u>(7,188,964)</u>
GENERAL REVENUES						
					4,507,898	4,420,798
					103,902	217,690
					1,987,384	1,807,508
					2,516,985	2,125,384
					117,583	125,332
					717,322	608,656
					68,433	18,911
					<u>10,019,507</u>	<u>9,324,279</u>
					2,645,854	2,135,315
					<u>21,774,434</u>	<u>19,223,080</u>
					<u>\$ 24,420,288</u>	<u>\$ 21,358,395</u>

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTALS	
				2025	2024
ASSETS					
Cash and Investments	\$ 3,755,265	\$ 7,822,264	\$ 316,336	11,893,865	\$ 18,204,482
Taxes Receivable	4,329,797	-	171,692	4,501,489	114,051
Grants Receivable	53,452	-	54,036	107,488	12,796
Accounts Receivable	414,761	-	10,513	425,274	13,937
Inventories	-	-	7,520	7,520	7,520
Prepaid Expenses	797	-	-	797	14,510
Due from Other Funds	243,486	-	-	243,486	53,307
TOTAL ASSETS	\$ 8,797,558	\$ 7,822,264	\$ 560,097	\$ 17,179,919	\$ 18,420,603
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 101,238	\$ 930,458	\$ 59,696	\$ 1,091,392	\$ 83,492
Accrued Expenses	-	219,285	-	219,285	-
Accrued Salaries and Benefits	647,533	-	-	647,533	565,996
Due to Other Funds	-	-	243,486	243,486	53,307
Unearned Revenues	5,299	-	170,410	175,709	520,800
Deferred Tax Revenues	4,345,317	-	172,039	4,517,356	64,985
TOTAL LIABILITIES	5,099,387	1,149,743	645,631	6,894,761	1,288,580
FUND BALANCES					
Nonspendable	797	-	7,520	8,317	22,030
Restricted for Emergencies	88,000	-	-	88,000	341,000
Restricted for Transportation	-	-	(239,883)	(239,883)	(63,315)
Restricted for Grant	-	-	23,712	23,712	23,712
Restricted for Food Service	-	-	30,646	30,646	(4,958)
Assigned for Student Activities	-	-	92,471	92,471	87,065
Unassigned	3,609,374	6,672,521	-	10,281,895	16,726,489
TOTAL FUND BALANCES	3,698,171	6,672,521	(85,534)	10,285,158	17,132,023
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,797,558	\$ 7,822,264	\$ 560,097		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	21,992,411	17,388,819
Long-term liabilities, including lease payable (\$3,839,654), and accrued compensated absences of (\$68,091) are not due and payable in the current period and are not reported in the funds.	(3,907,745)	(4,296,711)
Property tax revenue is recognized when earned (claim to resources established) rather than when available.	4,517,356	64,985
Long-term liabilities and assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$7,873,791), net OPEB liability (\$139,703), deferred outflows related to pensions and OPEB \$1,055,697, and deferred inflows related to pensions and OPEB (\$1,509,095).	(8,466,892)	(8,930,721)
Net position of governmental activities	\$ 24,420,288	\$ 21,358,395

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

	GENERAL	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTALS	
				2025	2024
REVENUES					
Local Sources	\$ 2,919,256	\$ 150,257	\$ 131,534	\$ 3,201,047	\$ 7,353,825
State Sources	2,538,652	285,571	227,632	3,051,855	2,441,972
Federal Sources	134,086	-	286,270	420,356	363,984
TOTAL REVENUES	5,591,994	435,828	645,436	6,673,258	10,159,781
EXPENDITURES					
Current					
Instruction	3,653,256	-	94,022	3,747,278	3,618,276
Supporting Services	3,289,103	-	979,736	4,268,839	3,924,078
Capital Outlay	-	5,369,689	-	5,369,689	761,872
Debt Service					
Principal	-	357,890	-	357,890	2,456
Interest and Fiscal Charges	-	192,466	-	192,466	43,407
TOTAL EXPENDITURES	6,942,359	5,920,045	1,073,758	13,936,162	8,350,089
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,350,365)	(5,484,217)	(428,322)	(7,262,904)	1,809,692
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt Issuance	-	-	-	-	4,200,000
Transfers In	-	5,551,971	292,764	5,844,735	827,071
Transfers Out	(5,844,735)	-	-	(5,844,735)	(827,071)
TOTAL OTHER FINANCING SOURCES (USES)	(5,844,735)	5,551,971	292,764	-	4,200,000
NET CHANGE IN FUND BALANCES	(7,195,100)	67,754	(135,558)	(7,262,904)	6,009,692
FUND BALANCES, Beginning	10,477,232	2,408,242	50,024	12,935,498	12,883,346
PRIOR PERIOD ADJUSTMENT	416,039	-	-	416,039	(112,050)
FUND BALANCES, Beginning, as restated	10,893,271	6,604,767	50,024	17,548,062	11,122,331
FUND BALANCES, Ending	\$ 3,698,171	\$ 6,672,521	\$ (85,534)	\$ 10,285,158	\$ 17,132,023

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

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

Net change in fund balances - total governmental funds	\$ (7,262,904)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay, \$5,123,860, exceeded depreciation expense of (\$520,268), in the current period.	4,603,592
Property tax revenue is recognized when earned (claim to resource established) rather than when available. This is the change in deferred revenue recognized as revenue in the government-wide financials.	4,452,371
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	463,829
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These are lease and bond payable payments and changes in accrued compensated absences.	<u>388,966</u>
Change in net position of governmental activities	<u><u>\$ 2,645,854</u></u>

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Gilpin County School District RE-1 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The *Capital Reserve Fund* is used to account for the accumulation of resources to construct a building and acquire capital assets.

Assets, Liabilities and Fund Balance/Net Position

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District considers its prepaid expenses and inventories as nonspendable as of June 30, 2025.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Property Tax Revenues

Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November. Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted for all funds, on a basis consistent with generally accepted accounting principles. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30).
- Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal year-end because they have lapsed and are pending reinstatement.

State Compliance

The actual expenditure of the General Fund, Capital Reserve Fund, Food Service Fund, and Transportation Fund exceeded the budgeted amounts by \$3,119,975, \$2,934,684, \$28,252, and \$26,643. This may be a violation of State statutes.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The District did not prepare a budget for the Student Activity Fund which could be considered a violation of state statute.

NOTE 3: CASH AND INVESTMENTS

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

Deposits	\$ 441,121
Investments	<u>11,452,744</u>
Total Cash and Investments	<u>\$ 11,893,865</u>

Deposits

Custodial Credit Risk – Deposits

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

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

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

At June 30, 2025, the District had deposits with financial institutions with a carrying amount of \$441,121. The bank balances with the financial institutions were \$575,026. Of these balances, \$250,000 was covered by federal depository insurance and \$325,026 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: CASH AND INVESTMENTS (Continued)

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado school districts.

Local Government Investment Pools

The District had invested \$11,452,744 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions.

Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Interfund Balances at June 30, 2025 are as follows:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 67,923
General Fund	Transportation Fund	224,841
General Fund	Capital Projects	<u>5,551,971</u>
Total		<u>\$ 5,844,735</u>

The transfers from the General Fund were made to offset additional operating and capital costs. These transfers are budgeted annually.

NOTE 5: CAPITAL ASSETS

	Balances <u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/2025</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 434,588	\$ -	\$ -	\$ 434,588
Construction in Progress	<u>160,291</u>	<u>5,089,895</u>	-	<u>5,250,186</u>
Capital Assets, not depreciated	<u>594,879</u>	<u>5,089,895</u>	-	<u>5,684,774</u>
Capital Assets, depreciated				
Buildings and Site Improvements	26,316,274	-	-	26,316,274
Transportation Equipment	1,048,243	-	-	1,048,243
Food Service Equipment	51,559	8,195	-	59,754
Other Machinery and Equipment	<u>992,292</u>	<u>25,770</u>	-	<u>1,018,062</u>
Total Capital Assets, depreciated	<u>28,408,368</u>	<u>33,965</u>	-	<u>28,442,333</u>
Less Accumulated Depreciation				
Buildings and Site Improvements	10,220,565	404,776	-	10,625,341
Transportation Equipment	628,123	56,931	-	685,054
Food Service Equipment	51,558	820	-	52,378
Other Machinery and Equipment	<u>714,182</u>	<u>57,741</u>	-	<u>771,923</u>
Total Accumulated Depreciation	<u>11,614,428</u>	<u>520,268</u>	-	<u>12,134,696</u>
Total Capital Assets, depreciated, Net	<u>16,793,940</u>	<u>(486,303)</u>	-	<u>16,307,637</u>
Governmental Activities, Capital Assets, Net	<u>\$ 17,388,819</u>	<u>\$ 4,603,592</u>	<u>\$ -</u>	<u>\$ 21,992,411</u>

Depreciation expense was charged to the supporting services function of the District.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2025, are estimated to be \$647,533. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7: LONG-TERM DEBT

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

	Balance <u>6/30/2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2025</u>	Due In <u>One Year</u>
Debt from Direct Borrowings					
Direct Placements					
Copier Lease Payable	\$ 11,287	\$ -	\$ 11,287	\$ -	\$ -
Direct Lease – Huntington Bank	4,197,544	-	357,890	3,839,654	357,890
Compensated Absences	<u>87,880</u>	<u>-</u>	<u>19,789</u>	<u>68,091</u>	<u>-</u>
Total	<u>\$ 4,296,711</u>	<u>\$ -</u>	<u>\$ 388,966</u>	<u>\$ 3,907,745</u>	<u>\$ 357,890</u>

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

Lease Payable – Direct Borrowing

In July 2020, the District entered into a capital lease agreement for the purchase of copiers. The new lease bears an estimated interest at 5.60% and requires 60 monthly payments of \$961 through June 2025 including maintenance and supplies. The underlying equipment capitalized under this lease has a remaining value of \$36,019 as of June 30, 2022. In the event of default, the Lessor may retain the security deposit and/or terminate or cancel the agreement. The Lessor may require all sums due under the agreement with the unpaid balance discounted at present value rates, the amount of any purchase option and if none is specified, 20% of the original equipment cost will represent an anticipated residual value, interest may be recovered on any unpaid balance at an annual rate of 8%.

The Lessor may use any remedies available under Article 2A of the Uniform Commercial Code. Fees liable to the Lessee associated with right to remedy may include reasonable attorney’s fees, actual court costs and repossession costs. The Lessee may be required to return the equipment to a location designated by the Lessor. The net proceeds of the sale of any repossessed equipment will be credited against what is owed.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: LONG-TERM DEBT (Continued)

Series 2024 Direct Lease

In March 2024, a Series 2024 Direct Lease through Huntington National Bank was entered into for an amount of \$4.2 million at 4.77% interest rate, due 12/1/2033, for the purpose of constructing improvements to the District’s wastewater system, including the connection of the District’s wastewater pipeline to the wastewater facilities of Black Hawk Central City Sanitation District.

Future Debt Service Requirements

Annual debt service requirements for the Direct Lease with Huntington Bank as of June 30, 2025, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 375,340	\$ 175,016	\$ 550,356
2027	393,640	156,716	550,356
2028	412,833	137,523	550,356
2029	432,961	117,395	550,356
2030	454,071	96,285	550,356
2031 - 2033	<u>1,770,808</u>	<u>251,723</u>	<u>2,022,531</u>
Total Debt Service Requirements	<u>\$ 3,839,654</u>	<u>\$ 934,658</u>	<u>\$ 4,774,311</u>

NOTE 8: JOINTLY GOVERNED ORGANIZATIONS

BOCES

Not reflected in the accompanying financial statements is the District's participation in the Mt. Evans Board of Cooperative Educational Services (BOCES). The District is a participant among three districts in a jointly governed organization to operate the BOCES. The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119 Black Hawk, CO 80422 or from their website, <http://mtevansboces.com/financial-transparency/>.

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 SCHDTE. 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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled. Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$723,384 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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

At June 30, 2025, the District reported a liability of \$7,873,791 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with District were as follows:

The District's proportionate share of the net pension liability	\$7,873,791
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District.	648,909
Total	\$8,522,700

At December 31, 2024, the District's proportion was 0.04563%, which was a decrease of 0.00761% from its proportion measured as of December 31, 2023. For the year ended June 30, 2025, the District recognized pension expense of \$405,715 and revenue of \$68,433 for support from the State as a nonemployer contributing entity.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$445,881	N/A
Changes of assumptions or other inputs	59,031	N/A
Net difference between projected and actual earnings on pension plan investments	148,557	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$1,367,938
Contributions subsequent to the measurement date	381,080	N/A
Total	\$1,034,549	\$1,367,938

\$381,080 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	(\$149,485)
2027	(\$257,870)
2028	(\$307,114)
2029	-
2030	-
Thereafter	-

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$10,675,036	\$7,873,791	\$5,527,357

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

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

Summary of Significant Accounting Policies

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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

General Information about the OPEB Plan

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$36,203 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$139,703 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was .0292%, which was a decrease of 0.00264% from its proportion measured as of December 31, 2023.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

For the year ended June 30, 2025, the District recognized OPEB income of \$41,524. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$30,816
Changes of assumptions or other inputs	\$1,602	44,656
Net difference between projected and actual earnings on OPEB plan investments	474	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$65,685
Contributions subsequent to the measurement date	19,072	N/A
Total	\$21,148	\$141,157

\$19,072 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	(\$42,526)
2027	(\$35,683)
2028	(\$34,003)
2029	(\$12,354)
2030	(\$10,330)
Thereafter	(\$4,185)

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

Age-Related Morbidity Assumptions

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

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$135,939	\$139,703	\$143,963

¹For the January 1, 2025, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$171,209	\$139,703	\$112,542

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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 11: RISK MANAGEMENT

The District carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions. The District carries property, liability and bond coverage and workers compensation coverage through commercial insurance carriers. Risk of loss transfers to those carriers. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2025.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1998, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1996-97 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A reservation of equity in the General Fund in the amount of \$88,000 has been recorded as an emergency reserve in accordance with the Amendment.

NOTE 13: SUBSEQUENT EVENTS

Potential subsequent events were considered through February 11, 2026. No events were identified for disclosure.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 14: ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During the fiscal year ending on June 30, 2025, \$416,039 in error corrections resulted in adjustments to and restatements of beginning net position and fund balance. The adjustments relate to an increase of \$416,039 to correct Black Hawk education enhancement revenues. The effect of correcting the errors is shown in the table below:

General Fund

6/30/2024, as previously reported	\$ 10,477,232
Error Corrections	<u>416,039</u>
6/30/2024, as restated	<u>\$ 10,893,271</u>

NOTE 15: NEGATIVE NET CHANGE IN GOVERNMENTAL FUND BALANCES

The net change in fund balances in the governmental activities was a negative amount of \$7,262,904 due to unavailability of tax revenues at year-end related to previous year late audit filings and taxes withheld by the County.

REQUIRED SUPPLEMENTARY INFORMATION

GILPIN COUNTY SCHOOL DISTRICT RE-1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ 5,478,468	\$ 6,763,698	\$ 2,919,256	\$ (3,844,442)	7,012,882
State Sources	2,541,183	2,618,157	2,538,652	-79,505	2,138,324
Federal Sources	89,763	89,763	134,086	44,323	26,507
TOTAL REVENUES	8,109,414	9,471,618	5,591,994	(3,879,624)	9,177,713
EXPENDITURES					
Instruction	4,054,607	3,868,771	3,653,256	215,515	3,540,982
Student Support Services	511,757	617,151	756,721	(139,570)	405,146
Instructional Staff Support Services	164,265	68,931	59,389	9,542	114,004
General Administration Support Services	591,919	549,430	558,321	(8,891)	645,466
School Administration Support Services	436,885	394,192	409,372	(15,180)	462,820
Business Support Services	95,767	89,668	82,455	7,213	127,644
Operations and Maintenance	1,068,440	1,092,440	1,178,224	(85,784)	1,035,767
Central Support Services	225,168	182,168	244,621	(62,453)	201,579
Reserves	199,000	199,000	-	199,000	-
TOTAL EXPENDITURES	7,347,808	7,061,751	6,942,359	119,392	6,533,408
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	32,776.00
Transfers Out	(960,606)	(2,605,368)	(5,844,735)	(3,239,367)	(827,071)
TOTAL OTHER FINANCING SOURCES (USES)	(960,606)	(2,605,368)	(5,844,735)	(3,239,367)	(794,295)
CHANGE IN FUND BALANCE	(199,000)	(195,501)	(7,195,100)	(6,999,599)	1,850,010
FUND BALANCES, Beginning	7,489,423	4,835,049	10,477,232	5,642,183	8,739,272
Prior Period Adjustment	-	-	416,039	416,039	(112,050)
FUND BALANCES, Beginning, as restated	7,489,423	4,835,049	10,893,271	6,058,222	8,627,222
FUND BALANCES, Ending	\$ 7,290,423	\$ 4,639,548	\$ 3,698,171	\$ (941,377)	\$ 10,477,232

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportionate share of the Net Pension Liability	0.0636%	0.0622%	0.0619%	0.0536%	0.0539%	0.0613%	0.0521%	0.0460%	0.0533%	0.0456%
District's proportionate share of the Net Pension Liability	\$ 9,729,850	\$ 18,531,734	\$ 20,031,717	\$ 9,498,368	\$ 8,051,298	\$ 9,262,606	\$ 6,068,436	\$ 8,380,842	\$ 9,415,707	\$ 7,873,791
State of Colorado's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	2,013,342	501,556	-	624,121	1,891,159	202,029	648,909
Total portion of the Net Pension Liability associated with the District	\$ 9,729,850	\$ 18,531,734	\$ 20,031,717	\$ 11,511,710	\$ 8,552,854	\$ 9,262,606	\$ 6,692,557	\$ 10,272,001	\$ 9,617,736	\$ 8,522,700
District's covered payroll	\$ 2,772,430	\$ 2,793,517	\$ 2,857,581	\$ 2,948,978	\$ 1,608,572	\$ 3,319,009	\$ 3,258,969	\$ 3,258,969	\$ 3,482,922	\$ 3,485,688
District's proportionate share of the Net Pension Liability as a percentage of its covered payroll	351.0%	663.4%	701.0%	390.4%	531.7%	279.1%	205.4%	315.2%	276.1%	244.5%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%	67.2%

Notes:

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

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

Years Ended June 30,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 480,463	\$ 506,464	\$ 532,367	\$ 564,139	\$ 609,809	\$ 643,224	\$ 647,883	\$ 729,732	\$ 719,792	\$ 723,384
Contributions in relation to the Statutorily required contributions	<u>480,463</u>	<u>506,464</u>	<u>532,367</u>	<u>564,139</u>	<u>609,809</u>	<u>643,224</u>	<u>647,883</u>	<u>729,732</u>	<u>719,792</u>	<u>723,384</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	\$ 2,772,430	\$ 2,793,517	\$ 2,857,581	\$ 2,948,978	\$ 3,146,589	\$ 3,319,009	\$ 3,258,969	\$ 3,409,965	\$ 3,531,852	\$ 3,549,470
Contributions as a percentage of covered payroll	17.33%	18.13%	18.63%	19.13%	19.38%	19.38%	19.88%	21.40%	20.38%	20.38%

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportionate share of the Net OPEB Liability	0.0354%	0.0352%	0.0349%	0.0352%	0.0355%	0.0340%	0.0350%	0.0319%	0.0292%
District's proportionate share of the Net OPEB Liability	\$ 458,699	\$ 457,439	\$ 474,385	\$ 395,862	\$ 336,950	\$ 293,593	\$ 285,717	\$ 227,352	\$ 139,703
District's covered payroll	\$ 2,793,517	\$ 2,857,581	\$ 2,948,978	\$ 3,146,589	\$ 3,319,009	\$ 3,258,969	\$ 3,258,969	\$ 3,482,922	\$ 3,485,688
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.42%	16.01%	16.09%	12.58%	10.15%	9.01%	8.77%	6.53%	4.01%
Plan fiduciary net position as a percentage of the total OPEB liability	16.7%	17.5%	17.0%	24.5%	32.8%	39.4%	38.6%	46.2%	59.8%

Notes

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

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

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 28,494	\$ 29,147	\$ 30,080	\$ 32,095	\$ 33,854	\$ 33,241	\$ 34,780	\$ 36,025	\$ 36,203
Contributions in relation to the Statutorily required contributions	<u>28,494</u>	<u>29,147</u>	<u>30,080</u>	<u>32,095</u>	<u>33,854</u>	<u>33,241</u>	<u>34,780</u>	<u>36,025</u>	<u>36,203</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,793,517	\$ 2,857,581	\$ 2,948,978	\$ 3,146,589	\$ 3,319,009	\$ 3,258,969	\$ 3,409,965	\$ 3,531,852	\$ 3,549,470
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Notes

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ -	\$ 289,432	\$ 150,257	\$ (139,175)	\$ 68,302
State Sources	401,987	285,571	285,571	-	88,444
TOTAL REVENUES	401,987	575,003	435,828	(139,175)	156,746
EXPENDITURES					
Property	1,085,361	2,985,361	5,369,689	(2,384,328)	761,872
Debt Service					
Principal	-	-	357,890	(357,890)	2,456
Interest	-	-	192,466	(192,466)	43,407
TOTAL EXPENDITURES	1,085,361	2,985,361	5,920,045	(2,934,684)	807,735
EXCESS OF REVENUES UNDER EXPENDITURES	(683,374)	(2,410,358)	(5,484,217)	(3,073,859)	(650,989)
OTHER FINANCING SOURCES					
Proceeds from Debt Issuance	-	-	-	-	4,200,000
Transfers from Other Funds	683,374	2,410,358	5,551,971	3,141,613	662,332
TOTAL OTHER FINANCING SOURCES	683,374	2,410,358	5,551,971	3,141,613	4,862,332
CHANGE IN FUND BALANCE	-	-	67,754	67,754	4,211,343
FUND BALANCES, Beginning,	6,619,585	1,139,855	6,604,767	5,464,912	2,393,424
FUND BALANCE, Ending	\$ 6,619,585	\$ 1,139,855	\$ 6,672,521	\$ 5,532,666	\$ 6,604,767

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2025

	SPECIAL REVENUE				Totals	
	Food Service	Transportation	Grant	Student Activity	2025	2024
ASSETS						
Current Assets						
Cash and Investments	\$ -	\$ -	\$ 202,250	\$ 114,086	\$ 316,336	\$ 575,672
Accounts Receivable	9,407	1,106	-	-	10,513	13,937
Grant Receivable	54,036	-	-	-	54,036	-
Taxes Receivable	-	171,692	-	-	171,692	-
Inventories	7,520	-	-	-	7,520	7,520
TOTAL ASSETS	\$ 70,963	\$ 172,798	\$ 202,250	\$ 114,086	\$ 560,097	\$ 597,129
LIABILITIES						
Accrued Expenses	16,074	32,932	10,690	-	59,696	72,337
Unearned Revenues	4,662	-	165,748	-	170,410	421,461
Deferred Tax Revenues	-	172,039	-	-	172,039	-
Due to Other Funds	12,061	207,710	2,100	21,615	243,486	53,307
TOTAL LIABILITIES	32,797	412,681	178,538	21,615	645,631	547,105
FUND BALANCE						
Nonspendable	7,520	-	-	-	7,520	7,520
Restricted for Food Service	30,646	-	-	-	30,646	(4,958)
Restricted for Grant	-	-	23,712	-	23,712	23,712
Restricted for Transportation	-	(239,883)	-	-	(239,883)	(63,315)
Assigned for Student Activities	-	-	-	92,471	92,471	87,065
TOTAL FUND BALANCES	38,166	(239,883)	23,712	92,471	(85,534)	50,024
TOTAL LIABILITIES AND FUND BALANCE	\$ 70,963	\$ 172,798	\$ 202,250	\$ 114,086	\$ 560,097	\$ 597,129

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

	SPECIAL REVENUE				Totals	
	Food Service	Transportation	Grant	Student Activity	2025	2024
REVENUES						
Local Sources	\$ 5,370	\$ 7,022	\$ 19,714	\$ 99,428	\$ 131,534	\$ 272,641
State Sources	93,227	69,745	64,660	-	227,632	215,204
Federal Sources	178,911	-	107,359	-	286,270	337,477
TOTAL REVENUES	277,508	76,767	191,733	99,428	645,436	825,322
EXPENDITURES						
Instructional Program	-	-	-	94,022	94,022	77,294
Transportation	-	478,176	-	-	478,176	391,376
Grant	-	-	191,733	-	191,733	260,364
Food Services	309,827	-	-	-	309,827	279,912
TOTAL EXPENDITURES	309,827	478,176	191,733	94,022	1,073,758	1,008,946
EXCESS OF REVENUES OVER EXPENDITURES	(32,319)	(401,409)	-	5,406	(428,322)	(183,624)
OTHER FINANCING SOURCES (USES)						
Transfers In	67,923	224,841	-	-	292,764	131,963
TOTAL OTHER FINANCING SOURCES	67,923	224,841	-	-	292,764	131,963
NET CHANGE IN FUND BALANCE	35,604	(176,568)	-	5,406	(135,558)	(51,661)
FUND BALANCE, Beginning	2,562	(63,315)	23,712	87,065	50,024	101,685
FUND BALANCE, Ending	\$ 38,166	\$ (239,883)	\$ 23,712	\$ 92,471	\$ (85,534)	\$ 50,024

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ 1,043	\$ 1,043	\$ 5,370	\$ 4,327	\$ 440
State Sources	614	614	93,227	92,613	98,611
Federal Sources	271,000	269,937	178,911	(91,026)	116,743
TOTAL REVENUES	272,657	271,594	277,508	5,914	215,794
EXPENDITURES					
Salaries	135,654	95,575	128,851	(33,276)	105,207
Benefits	66,731	48,000	15,914	32,086	37,532
Purchased Services	400	400	-	400	4,068
Food, Commodities and Supplies	152,195	137,600	165,062	(27,462)	133,105
Reserves	-	-	-	-	-
TOTAL EXPENDITURES	354,980	281,575	309,827	(28,252)	279,912
EXCESS OF REVENUES OVER EXPENDITURES	(82,323)	(9,981)	(32,319)	(22,338)	(64,118)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	82,323	9,981	67,923	57,942	52,309
NET CHANGE IN FUND BALANCE	-	-	35,604	35,604	(11,809)
FUND BALANCE, Beginning	(4,473)	-	2,562	2,562	14,371
FUND BALANCE, Ending	\$ (4,473)	\$ -	\$ 38,166	\$ 38,166	\$ 2,562

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

TRANSPORTATION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ 177,888	\$ 197,280	\$ 7,022	\$ (190,258)	\$ 176,217
State Sources	69,224	69,224	69,745	521	76,370
TOTAL REVENUES	247,112	266,504	76,767	(189,737)	252,587
EXPENDITURES					
Salaries	270,702	280,414	315,246	(34,832)	249,611
Benefits	92,570	92,570	97,223	(4,653)	95,476
Purchased Services	35,449	35,249	22,477	12,772	11,306
Food, Commodities and Supplies	43,300	43,300	43,230	70	34,983
TOTAL EXPENDITURES	442,021	451,533	478,176	(26,643)	391,376
EXCESS OF REVENUES OVER EXPENDITURES	(194,909)	(185,029)	(401,409)	(216,380)	(138,789)
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	194,909	185,029	224,841	39,812	101,269
NET CHANGE IN FUND BALANCE	-	-	(176,568)	(176,568)	(37,520)
FUND BALANCE, Beginning	(56,475)	-	(63,315)	(63,315)	(25,795)
FUND BALANCE, Ending	\$ (56,475)	\$ -	\$ (239,883)	\$ (239,883)	\$ (63,315)

See the accompanying independent auditors' report.

GILPIN COUNTY SCHOOL DISTRICT RE-1

GRANT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ -	\$ 24,000	\$ 19,714	\$ (4,286)	\$ -
State Sources	148,500	148,500	64,660	(83,840)	40,223
Federal Sources	120,929	132,048	107,359	(24,689)	220,734
TOTAL REVENUES	269,429	304,548	191,733	(112,815)	260,957
EXPENDITURES					
Salaries	47,414	47,414	43,848	3,566	154,987
Benefits	18,598	18,593	12,434	6,159	46,437
Purchased Services	11,386	40,286	70,791	(30,505)	170
Food, Commodities and Supplies	174,668	156,168	64,660	91,508	58,770
Property	35,723	-	-	-	-
Other	41,969	42,087	-	42,087	-
TOTAL EXPENDITURES	329,758	304,548	191,733	112,815	260,364
NET CHANGE IN FUND BALANCE	(60,329)	-	-	-	593
FUND BALANCE, Beginning	241,908	-	23,712	23,712	23,119
FUND BALANCE, Ending	\$ 181,579	\$ -	\$ 23,712	\$ 23,712	\$ 23,712

See the accompanying independent auditors' report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1330 - Gilpin County RE-1
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	10,893,271	-252,740	6,942,360	3,698,171
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	10,893,271	-252,740	6,942,360	3,698,171
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	2,562	366,990	331,386	38,165
22 Govt Designated-Purpose Grants Fund	23,711	191,733	191,733	23,711
23 Pupil Activity Special Revenue Fund	87,064	99,428	94,022	92,471
25 Transportation Fund	-63,315	301,608	478,177	-239,884
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	6,604,767	5,987,799	5,920,045	6,672,521
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	17,548,061	6,694,818	13,957,723	10,285,156
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL