

**DURANGO SCHOOL DISTRICT 9-R  
DURANGO, COLORADO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Fiscal Year Ended June 30, 2025**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

# DURANGO SCHOOL DISTRICT 9-R

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December 1, 2025

Board of Education and Citizens  
Durango School District  
281 Sawyer Drive, Ste 100  
Durango, CO 81303

To the Board of Education, Citizens, Employees and Students of Durango School District:

### **Introduction**

The Annual Comprehensive Financial Report of the Durango School District 9-R (the District) is submitted in compliance with the 29-1-603 of the Colorado Revised Statutes and the applicable by-laws of the District's Board of Education. This Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025 was audited by and includes the report of the independent auditors Wall, Smith, Bateman Inc. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion of the financial statements for the year ended June 30, 2025 as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

This ACFR is presented in five sections: introductory, financial, statistical, single audit and Colorado Department of Education Compliance.

- The introductory section contains this letter of introduction that includes the District leadership structure and organizational chart.
- The financial section includes the independent auditor's report, Management's Discussion and Analysis, basic financial statements, required supplementary information and supplementary information.
- The statistical section contains supplemental financial and other statistical information that is generally presented on a multi-year basis.
- The single audit section reports not only on the fair presentation of the financial statements but also on legal compliance and internal control.



- The Colorado Department of Education Compliance section address specific state requirements and expectations for our district.

## **PROFILE OF THE DISTRICT**

The District’s financial operations support Durango School District 9-R’s mission. Durango School District 9-R serves more than 4,000 students in twelve schools in La Plata County.

The District is a fiscally and politically independent subdivision operating under the applicable laws of the State of Colorado governed by a five-member Board of Education (the “Board”). The Board is empowered to establish annual operating and capital budgets; determine the K-12 educational programs and services to be carried on in the schools of the District; employ all personnel necessary to maintain District operations; determine staffing levels and compensation thereof; and to prescribe the curriculum of any course of instruction or study through the District’s educational programs and services. The District receives funding from local, state and federal government sources and must comply with the requirements of such funding sources.

In defining and determining the District as an appropriate reporting entity, the District has considered the scope of public services of various associations and entities. Using the above considerations the District’s charter school, The Juniper School is included as a discretely presented component unit.

## **ECONOMIC CONDITIONS AND OUTLOOK**

The current model of state funding creates one of the largest obstacles for the District to provide the financial resources necessary for educators to achieve the District’s academic goals. In November 2000, Colorado voters approved a constitutional amendment (commonly known as “Amendment 23”) that sets minimum levels of increase in the statewide base per pupil funding amount and the total state funding for categorical programs. Amendment 23 stipulates that the General Assembly must adjust that base each year by the rate of inflation increase plus one-percent for the ten year period beginning FY 2001-02, and by at least the rate of inflation thereafter.

Colorado has a very complex public school funding formula that was developed in 1994 called the Public School Finance Act. School districts in Colorado are funded on a per pupil basis. The state calculates each district’s PPR based on several factors including at-risk enrollment (i.e. high poverty), size of the district, cost of personnel, and cost of living. From a very high level, the state calculates each district’s PPR, subtracts the amount of funding generated by local property taxes, and then funds the remaining balance through an allocation called “State Equalization”. This combined state equalization and local property tax funding amount is termed “Total Program”.



Local property tax revenue makes up about 45% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. “State Equalization”). Given that K-12 funding makes up close to 28% of the State of Colorado’s general fund budget, the state was forced to make a choice between fully funding K-12 education or continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education, and Human Services. Beginning in FY2010-11, the state introduced the “Negative Factor” since renamed to the “Budget Stabilization Factor” to reduce school funding to a level that it could afford. In 2024, the budget stabilization factor was eliminated, bringing Colorado school funding back to inflation-adjusted levels mandated by Amendment 23.

State statute allows school districts to levy general fund taxes at a general or special Override Election Mill Levy. The maximum amount of the revenue increase may not exceed 25% of the District’s formula funding, plus a cost of living adjustment from 2002. In 2010 and 2016 the voters of Durango approved mill levy overrides. The 2010 mill levy override was a fixed dollar amount of \$3.2 million. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost of living adjustment.

The District has been able to limit the impact of these complications on our classrooms by effectively managing costs. As a result of uncertain economic conditions, Per Pupil Revenue (PPR) in FY2025-26 is expected to increase slightly. Durango School District 9-R manages the funding gaps and improves the educational offerings for our students through prudent fiscal management, the support of local voters through mill levy overrides and state, federal and private grants received. The District continues to manage fund balances to ensure that future uncertainties can be addressed without major interruptions to core educational services.

## **FINANCIAL INFORMATION**

### **Internal Control**

The management team of the District is responsible for establishing and maintaining effective internal control to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District’s system of internal control is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and, (2) the valuation of costs and benefits require estimates and judgement by management.

### **Single Audit**

As a recipient of federal, state and local financial assistance, the District is also responsible for maintaining effective internal control to ensure compliance with applicable laws and regulations related to those programs. This system of internal control is subject to periodic evaluation by management.



As part of the District's single audit, tests are made to determine the adequacy of its internal control, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

### **Accounting and Budgetary Controls**

For financial statement presentation purposes, the modified accrual basis of accounting is followed for all governmental funds and similar fiduciary fund types. The management's discussion and analysis and the notes to the financial statements expand upon this and other accounting policies. The financial statements are prepared in accordance with the standards of the Governmental Accounting Standards Board. All of the District's funds are presented in this report and have been audited by the District's independent auditors, Wall Smith & Bateman Inc. The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant and be in accordance with generally accepted auditing standards. The auditor's role is to conduct an independent audit and render to outside parties an opinion on the fair presentation of the financial statements. Budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is maintained at the total fund level for each fund.

### **2024-2025 Leadership Structure (as of June 30, 2025)**

Each of Colorado's 178 school districts is governed by a Board of Education comprised of people elected by the residents of the district. It is the Board's responsibility to establish and maintain a system of education in the district, as prescribed by the constitution and laws of the state. School board members are community volunteers who give freely of their time to govern public schools. Durango School District 9-R is governed by a five-member board.

The Durango 9-R School Board chose to use Coherent Governance as its governance model approximately eleven years ago. This model helps to clarify the roles of both the school board (policy making and oversight) and the superintendent (academic and management leader).

Under Coherent Governance, the Board is responsible for clearly defining what students should know and be able to do by the time they graduate from high school. The Board consciously stays out of the district's day-to-day management decisions and adopts policies that give the superintendent the authority to select the resources, teachers, and educational programs that he or she believes best serve student-learning needs. The Board takes a strong oversight role by holding the superintendent accountable for ensuring that students are making reasonable progress toward meeting the district's educational goals.



### Board of Education

Kristin Smith	President
Erika Brown	Vice President
Andrea Parmenter	Secretary
Rick Petersen	Treasurer
Katie Stewart	Board Member

### Administration

Karen Cheser	Superintendent
Chris Coleman	Chief Operations Officer
Laura Galido	Executive Director of Human Capital
Kira Horenn	Executive Director of Finance
Laurie Rossback	Executive Director of Instruction
Vanessa Giddings	Executive Director of Student Services

### **Conformance with State Accounting Regulations**

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles.

### **District Expectation for Financial Transparency**

It is very important to Durango School District 9-R that we use our resources in the most efficient manner to meet the goals of the community. It is also a core value of the Finance Department that we are transparent and have appropriate controls in place to make sure we create accurate and timely financial statements and maintain effective and efficient administrative controls.



### **Acknowledgements**

This report could not have been possible without the dedicated services of the District's Finance Department. We would like to express our sincere gratitude to all members of the District who assisted and contributed to the preparation of this report as well as to dedicated and professional services from the independent auditors from Wall, Smith & Bateman.

We would also like to express our appreciation to the Durango School District 9-R Board of Education for their continued support in leading the District's finances in a responsible and prudent manner.

Respectfully submitted,

Dr. Karen Cheser  
Superintendent of Schools

Kira Horenn  
Executive Director of Finance

# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Durango School District 9-R  
Durango, Colorado

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Durango School District 9-R (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

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

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

**Certified Public Accountants**

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forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

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

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 01, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

December 01, 2025

**Durango School District 9-R**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

This discussion and analysis of Durango School District 9-R's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2025 are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,529,498 (net position). The District's unrestricted net position without the pension & OPEB liability and related deferred inflows/outflows would be \$111,145,313.
- The District's beginning net position was increased \$3,100,00 due to a cutoff error related to the recording of cash and investments at fiscal year-end June 30, 2024 in the 2021 Bond Building Fund. Total net position decreased by \$770,118. The change is the result of pension reporting requirements from the Governmental Accounting Standards Board (GASB). Pension and OPEB expense of \$4,344,017 has been recognized as the District's proportionate share of the net pension liability, deferred inflow and outflow changes reported by the Colorado Public Employees' Retirement Association (PERA) – School Division Trust Fund and Other Post-Employment Benefits by the Colorado Public Employees' Retirement Association (PERA) - Health Care Trust Fund.
- Total General revenues increased \$2,672,153 of which state equalization aid decreased \$4,571,869 and property increased \$8,015,081. This decrease in state equalization is being driven by an increase in local property taxes, which reduces the portion of total program that is contributed by the state.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balance of \$204,980,458, an increase of \$112,824,991 in comparison with the prior year. Of the combined fund balance, approximately 3.1% or \$6,413,303 is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, the total of all components of fund balance for the general fund was \$23,965,731 or approximately 32.3% of total general fund expenditures.
- The District's total outstanding long-term debt increased by \$135,530,922 to \$259,821,146.

**Durango School District 9-R**  
**Management’s Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

**Financial Statement Overview**

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the Durango School District 9-R as a financial whole, or as an entire operating entity.

The basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes required and other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements**

The district-wide financial statements are designed to provide the reader of the District’s comprehensive annual financial report a broad overview of the financial activities in a manner similar to a private sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents financial information on all of the District’s assets, liabilities and deferred inflows and outflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Typically, both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities), and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include the General Fund, Capital Projects Fund – Capital Reserve, 2021 Bond – Building Fund, 2025 Bond – Building Fund, Governmental Designated Grants Fund, Interscholastic Activities Fund, Food Service Fund, Student Activities Fund, and Debt Service Fund. The District does not have any business type activities.

**Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District only reports governmental funds.

**Durango School District 9-R**  
**Management’s Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported in the governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government’s near-term financing requirements.

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

The District maintains nine individual governmental funds. The major funds are the General Fund, Debt Service Fund, Governmental Designated Grants Fund and Capital Projects- Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled “other governmental funds”. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the district-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriation budget for all its funds. Budgetary comparison schedules, with adopted and final revised budgets, have been provided for the General Fund and all other funds to demonstrate compliance with the budgeted amounts.

**Durango School District 9-R**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

**District-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,529,498 at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt that was used to acquire those assets represents approximately \$65 million. The District uses these capital assets to provide educational services to its citizens. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$25.5 million of the District's net position represents resources that are subject to external restrictions, such as debt service, bond funded capital projects, future building at Three Springs and the TABOR reserve.

In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liabilities are required to supplement the basic financial statements.

**Durango School District 9-R  
Management's Discussion and Analysis  
For the fiscal year ended June 30, 2025**

**Durango School District 9-R  
Condensed Statement of Net Position**

	Governmental Activities	
	2025	2024
<u>Assets</u>		
Current and Other Assets	221,561,710	113,358,603
Net Capital Assets	166,725,076	137,691,888
Total Assets	<u>388,286,786</u>	<u>251,050,491</u>
<u>Deferred Outflows of Resources</u>		
Pensions (Note 7)	24,217,511	36,172,969
OPEB (Note 8)	744,627	745,725
Total Def. Outflows	<u>24,962,138</u>	<u>36,918,694</u>
<u>Liabilities</u>		
Current and Other Liabilities	17,320,327	19,188,853
Long-Term	367,520,329	237,024,396
Total Liabilities	<u>384,840,656</u>	<u>256,213,249</u>
<u>Deferred Inflows of Resources</u>		
Pensions (Note 7)	1,745,921	4,403,111
OPEB (Note 8)	1,132,849	1,053,209
Total Def. Inflows	<u>2,878,770</u>	<u>5,456,320</u>
<u>Net Position</u>		
Net Investment in Capital Assets	65,344,768	59,493,569
Restricted	25,514,441	15,135,635
Unrestricted (Deficit)	<u>(65,329,711)</u>	<u>(48,329,588)</u>
Total Net Position	<b><u>25,529,498</u></b>	<b><u>26,299,616</u></b>

**Durango School District 9-R  
Management’s Discussion and Analysis  
For the fiscal year ended June 30, 2025**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The dependence upon tax revenue is apparent. Over 94% of general revenue is supported through property taxes, vehicle registrations, and state equalization. The District’s combined net position, not including the Pension Liability or OPEB Liability of \$111,145,313 was larger on June 30, 2025 than it was the year before. The combined net position, including the Pension and OPEB Liability, decreased from the prior year to \$25,529,498. Most of the underlying increase in the District’s financial position, excluding the accounting change for the pension and OPEB liability, came from the capital bond issuance. The Pension and OPEB Liability amounts tend to obscure the District position in a given year.

The effect of the PERA pension and OPEB expense of the District’s total net position for the Fiscal Year 2025 and 2024 is summarized below:

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Net Position (GAAP Basis)	\$ 25,529,498	\$ 26,299,616
GASB 68 - Pension	83,350,021	78,306,416
GASB 75 - OPEB	2,265,794	2,965,382
Net Position Excluding Pension and OPEB	<u>\$ 111,145,313</u>	<u>\$ 107,571,414</u>

The effect of the PERA pension and OPEB expense of the District’s unrestricted net position for the Fiscal Year 2025 and 2024 is summarized below:

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Unrestricted Net Position (GAAP Basis)	\$ (65,329,711)	\$ (48,329,588)
GASB 68 - Pension	83,350,021	78,306,416
GASB 75 - OPEB	2,265,794	2,965,382
Unrestricted Net Position Excluding Pension and OPEB	<u>\$ 20,286,104</u>	<u>\$ 32,942,210</u>

**Durango School District 9-R  
Management's Discussion and Analysis  
For the fiscal year ended June 30, 2025**

**Durango School District 9-R  
Condensed Statement of Changes in Net Position from Operating Results**

<b>Revenues</b>	Governmental Activities	
	2025	2024
<u>Program Revenues</u>		
Charges for Services	759,341	759,835
Operating Grants and Contributions	16,735,290	19,023,920
Capital Grants and Contributions	230,976	178,350
<u>General Revenues</u>		
Taxes	51,787,817	43,772,736
State Equalization	31,919,401	36,491,270
Investment Earnings	4,925,939	2,697,795
Gain on Sale of Capital Assets	-	2,999,203
<b>Total Revenues</b>	<b>106,358,764</b>	<b>105,923,109</b>
 <b>Expenses</b>		
<u>Governmental Activities</u>		
Instructional Services	54,670,294	55,965,485
Pupil Support Services	13,164,735	12,251,282
Administration	6,692,057	6,503,166
Business Services	988,068	899,401
Operations and Maintenance	12,502,829	10,364,636
Transportation	3,043,099	3,009,332
Central Supporting Services	6,787,147	4,080,169
Food Service	2,865,957	2,699,607
Other Supporting Services	398,939	414,206
Facilities Acq. and Const. Services	3,889,972	3,979,422
Interest and Fiscal Charges	5,225,784	4,063,581
<b>Total Expenses</b>	<b>110,228,882</b>	<b>104,230,288</b>
 Change in Net Position	 (3,870,118)	 1,692,821
<b>Net Position, Beginning of Year</b>	<b>26,299,616</b>	<b>25,210,601</b>
Prior Period Adjustment, Note 12	3,100,000	(603,806)
<b>Net Position, End of Year</b>	<b>25,529,498</b>	<b>26,299,616</b>

**Durango School District 9-R**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

**Financial Analysis of Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources to be used for particular purposes by the Board of Education.

At June 30, 2025, the District's governmental funds reported combined fund balances of \$204,980,458 an increase of \$112,824,991 in comparison with the prior year. Approximately \$6,413,303 or 3.1% of the combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form \$271,571 2) restricted for particular purposes \$179,162,766 3) committed for particular purposes \$12,969,909 or 4) assigned for particular purposes \$6,162,909.

The General Fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,413,303 while total fund balance decreased to \$23,965,731. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 8.6% of total General Fund expenditures, while total fund balance represents approximately 32.2% of the same amount.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Colorado State law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. Budget Resolutions are approved by the Board of Education in January and when needed. In reviewing budget to actual variance, the following criteria have been set to determine variances that are significant: line item variance amounts (amended budget to actual) that are greater than 10% of the corresponding budget for that line item and greater than .1% of total budgeted fund revenue or expense amount.

A review of total actual revenues compared to the appropriations in the final budget yield variances totaling \$1,289,598 or 1.7% of total revenues. This variance is driven by higher than anticipated specific ownership tax collections and deferred property tax collections.

**Durango School District 9-R**  
**Management’s Discussion and Analysis**  
**For the fiscal year ended June 30, 2025**

A review of total actual expenditures compared to the appropriations in the final budget yield variances totaling \$670,124 under budget or .9% of total expenditures.

**Capital Assets and Debt Administration**

**Capital Assets**

The District’s investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$166,725,076 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total change in the District’s investment in capital assets for the current fiscal year was an increase of \$29,033,188.

Additional information on the District’s capital assets can be found in Note 4 to the financial statements.

**Long-term Debt**

At June 30, 2025, the District had \$219,820,000 in general obligation bonds and \$7,336,108 in financed purchase agreements outstanding. The District was successful in passing a \$90 million dollar bond issuance in November of 2020 and a \$130 million dollar bond issuance in November of 2024. In August 2012, the District entered into an energy conservation project funded through a long-term financed purchase agreement. The DHS stadium project was funded by an agreement in June 2016. More detailed information about the District’s long-term liabilities is presented in Note 5 to the financial statements. The District recorded a \$3,071,823 rebate arbitrage liability with respect to the 2021 General Obligation Bonds for the period of March 3, 2021 to March 3, 2025. The payment for the arbitrage liability is due March 2026.

**Economic Factors and Next Year’s Budget**

An increase in per pupil funding by at least inflation is provided by Amendment 23 to the State Constitution, passed by the voters in November 2000. During the 2010 legislative session, the state legislator introduced a new factor into the school financial funding formula. This new factor is a negative factor, which allows the state to reduce its funding to K-12 education in the state. In Spring of 2024, Colorado lawmakers announced that the negative factor would be eliminated beginning in the FY24-25 budget season, which allocated about \$400 more per pupil to Colorado public schools. Durango School District’s per pupil allocation increased by \$360.77 in FY26 from FY25.

The 2021 Bond construction program has several components that began in 2022-2023 and are scheduled to be complete by the middle of fiscal year 2026. Per approved ballot language the District will be installing secure vestibules in all schools, address highest priority deferred maintenance HVAC and roofing needs across all buildings, build a “new” Miller Middle School and construct a Career and Innovation Center located at Durango High School. The bond also allocated \$7.5 million dollars to local charter schools, including two Charter school institute schools.

**Durango School District 9-R  
Management’s Discussion and Analysis  
For the fiscal year ended June 30, 2025**

The 2025 Bond construction program has several components that began in 2024-2025 and are scheduled to be completed by the end of fiscal year 2029. Per approved ballot language, the primary areas of investment are to construct a new elementary school at Three Springs to replace Florida Mesa Elementary, important deferred maintenance needs in existing facilities, investing in workforce housing solutions and acquiring, constructing, or improving any district-owned capital assets.

Enrollment for Durango School District 9-R will continue to evolve in 2025-2026. The online charter school called Connections Academy whose partnership began with the District in 2016-17 decreased due to an enrollment cap that was agreed upon with the Board of Education and Connections Academy to 1200 students. The district made the decision to end their contract with Colorado Connections Academy as of June 30, 2024. Due to this change, Colorado Connections Academy enrollment will no longer be reflected in the districts. In 2025-2026, The Juniper School, which is chartered through Durango School District 9-R has a stable enrollment and the district passes all but 3% of the students PPR directly to their organization.

The 2025-2026 General Fund budget includes \$68,138,218 in revenue, less transfers, and \$70,037,588 in expenditures.

After June 30, 2025 the District had three large events occur that are important to disclose. The district entered into an agreement for construction services for Three Springs Elementary School totaling \$45,000,000 to be begin in June 2026. The project is being financed through 2025 Bond proceeds.

The District also purchased property located at 28745 East US HWY 160 for \$1,750,000 on August of 2025 to be used as a facilities warehouse.

The District purchased property located at 20310 US HWY 160 West from Lightner Creek Apartments LLC, for \$9,925,000 in October of 2025 to be used for workforce housing.

**Component Units**

The District has one component unit, a district authorized charter school, named The Juniper School. Separately issued financial statements can be obtained by visiting their website <http://juniper.durangoschools.org/>

**Requests for Information**

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the district. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Kira Horenn  
Executive Director of Finance  
Durango School District 9-R  
281 Sawyer Drive, Suite 100  
Durango, Colorado 81303

***DURANGO SCHOOL DISTRICT 9-R***

***BASIC FINANCIAL STATEMENTS***

# DURANGO SCHOOL DISTRICT 9-R

## STATEMENT OF NET POSITION

June 30, 2025

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 14,791,915	\$ 833,215
Investments	202,486,540	-
Accounts Receivable	80,218	12,524
Due From Other Governments	1,082,040	-
Property Taxes Receivable	2,849,424	-
Materials and Supplies Inventory	74,637	-
Prepaid Expenses	196,936	23,390
Capital Assets		
Nondepreciable Assets	27,795,252	2,083,804
Depreciable Assets, (net)	138,929,824	4,363,742
	388,286,786	7,316,675
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	24,217,511	584,365
OPEB	744,627	21,340
	24,962,138	605,705
<b>LIABILITIES</b>		
Accounts Payable	6,905,085	-
Accrued Salaries and Benefits	7,100,074	129,785
Unearned Grant Revenue	1,394,271	-
Accrued Interest Payable	1,920,897	-
Long-Term Liabilities		
Due Within One Year	14,797,410	130,751
Due In More Than One Year	245,023,736	3,394,001
Net Pension Liability	105,821,611	2,451,186
Net OPEB Liability	1,877,572	43,491
	384,840,656	6,149,214
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	1,745,921	35,701
OPEB	1,132,849	23,541
	2,878,770	59,242
<b>NET POSITION</b>		
Net Investment in Capital Assets	65,344,768	2,922,794
Restricted for		
TABOR	2,561,588	83,500
Construction	-	190,945
Debt Service	21,759,601	-
Three Springs Schools	1,193,252	-
Unrestricted	(65,329,711)	(1,483,315)
	\$ 25,529,498	\$ 1,713,924

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

**DURANGO SCHOOL DISTRICT 9-R**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit
<b>Primary Government:</b>						
<b>Governmental Activities</b>						
Instructional Services	\$ 54,670,294	\$ 566,522	\$ 11,540,712	\$ 230,976	\$	(42,332,084)
Pupil Support Services	13,164,735	84,423	1,497,477	-		(11,582,835)
Administration	6,692,057	-	91,205	-		(6,600,852)
Business Services	988,068	-	50,551	-		(937,517)
Operations and Maintenance	12,502,829	74,030	207,987	-		(12,220,812)
Transportation	3,043,099	-	431,002	-		(2,612,097)
Other Supporting Services	6,787,147	-	-	-		(6,787,147)
Food Services	2,865,957	34,366	2,297,911	-		(533,680)
Community Services	398,939	-	618,445	-		219,506
Facilities Acq. and Const.Services	3,889,972	-	-	-		(3,889,972)
Interest and Fiscal Charges	5,225,784	-	-	-		(5,225,784)
Total Governmental Activities	<u>110,228,882</u>	<u>759,341</u>	<u>16,735,290</u>	<u>230,976</u>		<u>(92,503,275)</u>
Total Primary Government	<u>\$ 110,228,882</u>	<u>\$ 759,341</u>	<u>\$ 16,735,290</u>	<u>\$ 230,976</u>	<u>\$</u>	<u>(92,503,275)</u>
<b>Component Unit</b>						
The Juniper School	\$ 2,644,211	\$ -	\$ 220,679	\$ -		\$ (2,423,532)
Total Component Unit	<u>\$ 2,644,211</u>	<u>\$ -</u>	<u>\$ 220,679</u>	<u>\$ -</u>		<u>\$ (2,423,532)</u>
<b>General Revenues</b>						
						47,649,755
Property Taxes						460,708
Specific Ownership Taxes						4,138,062
State Equalization						-
Investment Earnings						31,919,401
Miscellaneous						2,088,985
Total General Revenues						4,925,939
						-
						425
						<u>88,633,157</u>
						<u>2,550,118</u>
CHANGE IN NET POSITION						(3,870,118)
NET POSITION, Beginning of Year, As Previously Stated						126,586
Prior Period Adjustment, Note 13						26,299,616
NET POSITION, Beginning of Year, Restated						1,587,338
						3,100,000
						-
NET POSITION, End of Year						<u>29,399,616</u>
						<u>\$ 1,587,338</u>
						<u>\$ 25,529,498</u>
						<u>\$ 1,713,924</u>

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

**DURANGO SCHOOL DISTRICT 9-R**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2025**

	<b>GENERAL FUND</b>	<b>GOVERNMENTAL DESIGNATED GRANT FUNDS</b>	<b>DEBT SERVICE FUND</b>	<b>2021 BOND BUILDING FUND</b>	<b>2025 BOND BUILDING FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 30,643,603	\$ 1,561,271	\$ 21,187,787	\$ 17,708,266	\$ 139,892,313	\$ 6,224,084	\$ 217,217,324
Cash with Fiscal Agent	-	-	-	61,131	-	-	61,131
Accounts Receivable	27,590	10,933	-	37,404	-	4,291	80,218
Due From Other Governments	88,445	767,831	-	-	-	225,764	1,082,040
Property Tax Receivable	1,876,162	-	973,262	-	-	-	2,849,424
Materials and Supplies Inventory	48,189	-	-	-	-	26,448	74,637
Prepaid Expenses	195,532	-	-	-	-	1,404	196,936
Total Assets	<u>\$ 32,879,521</u>	<u>\$ 2,340,035</u>	<u>\$ 22,161,049</u>	<u>\$ 17,806,801</u>	<u>\$ 139,892,313</u>	<u>\$ 6,481,991</u>	<u>\$ 221,561,710</u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 1,998,083	\$ 179,899	\$ -	\$ 3,875,760	\$ 175,029	\$ 676,314	\$ 6,905,085
Accrued Salaries and Benefits	6,193,882	734,082	-	-	-	230,659	7,158,623
Unearned Grant Revenue	-	1,394,271	-	-	-	-	1,394,271
Total Liabilities	<u>8,191,965</u>	<u>2,308,252</u>	<u>-</u>	<u>3,875,760</u>	<u>175,029</u>	<u>906,973</u>	<u>15,457,979</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Tax	721,825	-	401,448	-	-	-	1,123,273
<b>FUND BALANCE</b>							
Nonspendable	243,720	-	-	-	-	27,851	271,571
Restricted	2,561,588	-	21,759,601	13,931,041	139,717,284	1,193,252	179,162,766
Committed	8,584,211	31,783	-	-	-	4,353,915	12,969,909
Assigned	6,162,909	-	-	-	-	-	6,162,909
Unassigned	6,413,303	-	-	-	-	-	6,413,303
Total Fund Balance	<u>23,965,731</u>	<u>31,783</u>	<u>21,759,601</u>	<u>13,931,041</u>	<u>139,717,284</u>	<u>5,575,018</u>	<u>204,980,458</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 32,879,521</u>	<u>\$ 2,340,035</u>	<u>\$ 22,161,049</u>	<u>\$ 17,806,801</u>	<u>\$ 139,892,313</u>	<u>\$ 6,481,991</u>	<u>\$ 221,561,710</u>

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

**DURANGO SCHOOL DISTRICT 9-R**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

<b>Total Governmental Fund Balances</b>		\$ 204,980,458
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.		166,725,076
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		24,962,138
Unavailable revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,123,273
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	\$ (219,820,000)	
Financed Purchase Agreements	(7,336,108)	
Accrued Interest Payable	(1,920,897)	
Arbitrage Rebate Liability	(3,071,823)	
Long-term Compensated Absences	<u>(2,092,152)</u>	
		(234,240,980)
Bond discounts are expensed when incurred in the governmental funds and deferred and amortized in the statement of activities. Similarly, bond premiums are recognized as revenue when issued and are deferred and amortized in the statement of activities. The net unamortized portion of these long-term debt related items is included in the governmental activities.		(27,442,514)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(107,699,183)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		<u>(2,878,770)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 25,529,498</u></u>

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

**DURANGO SCHOOL DISTRICT 9-R**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	<b>GENERAL FUND</b>	<b>GOVERNMENTAL DESIGNATED GRANTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>2021 BOND BUILDING FUND</b>	<b>2025 BOND BUILDING FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>							
Local Sources	\$ 39,009,623	\$ 467,635	\$ 18,037,265	\$ 1,697,021	\$ 1,380,573	\$ 899,562	\$ 61,491,679
Intermediate Sources	31,525	37,238	-	-	-	207,987	276,750
State Sources	35,458,676	4,197,314	-	-	-	833,423	40,489,413
Federal Sources	114,602	3,981,268	-	-	-	1,454,456	5,550,326
Total Revenues	<u>74,614,426</u>	<u>8,683,455</u>	<u>18,037,265</u>	<u>1,697,021</u>	<u>1,380,573</u>	<u>3,395,428</u>	<u>107,808,168</u>
<b>EXPENDITURES</b>							
Current Operating							
Instructional Program	39,251,125	4,614,669	-	-	-	1,728,452	45,594,246
Student Support Services	3,884,901	1,595,919	-	-	-	-	5,480,820
Instructional Staff Support Services	4,468,658	1,965,507	-	-	-	467,804	6,901,969
General Administration Support Services	1,330,549	49,130	-	-	-	-	1,379,679
School Administration Support Services	4,873,230	61,303	-	-	-	-	4,934,533
Business Support Services	938,923	-	-	-	-	-	938,923
Operations and Maint. of Plant Services	9,659,504	172,087	-	1,158,770	7,225	844,221	11,841,807
Student Transportation Services	2,443,888	-	-	193,678	-	-	2,637,566
Other Support Services	6,362,427	1,961	-	-	-	127,578	6,491,966
Food Services	-	13,719	-	-	-	2,736,823	2,750,542
Community Services	195,710	203,229	-	-	-	-	398,939
Facilities Acquisition and Const. Costs	-	5,934	-	32,414,247	586,608	5,917,693	38,924,482
Debt Service	802,253	-	7,718,176	5,746	743,700	212,074	9,481,949
Total Expenditures	<u>74,211,168</u>	<u>8,683,458</u>	<u>7,718,176</u>	<u>33,772,441</u>	<u>1,337,533</u>	<u>12,034,645</u>	<u>137,757,421</u>
Excess (deficiency) of revenues over expenditures	<u>403,258</u>	<u>(3)</u>	<u>10,319,089</u>	<u>(32,075,420)</u>	<u>43,040</u>	<u>(8,639,217)</u>	<u>(29,949,253)</u>

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

**DURANGO SCHOOL DISTRICT 9-R**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2025**

	<b>GENERAL FUND</b>	<b>GOVERNMENTAL DESIGNATED GRANTS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>2021 BOND BUILDING FUND</b>	<b>2025 BOND BUILDING FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Fixed Assets	-	-	-	-	-	-	-
Finance Purchase or Bond Proceeds	-	-	-	-	139,674,244	-	139,674,244
Transfers From (To) Other Funds	(2,700,000)	-	-	-	-	2,700,000	-
Total Other Financing Sources (Uses)	(2,700,000)	-	-	-	139,674,244	2,700,000	139,674,244
<b>NET CHANGE IN FUND BALANCE</b>	(2,296,742)	(3)	10,319,089	(32,075,420)	139,717,284	(5,939,217)	109,724,991
<b>FUND BALANCE, Beginning of Year, As Previously Stated</b>	26,262,473	31,786	11,440,512	42,906,461	-	11,514,235	92,155,467
<b>Prior Period Adjustment, Note 13</b>	-	-	-	3,100,000	-	-	3,100,000
<b>FUND BALANCE, Beginning of Year, Restated</b>	26,262,473	31,786	11,440,512	46,006,461	-	11,514,235	95,255,467
<b>FUND BALANCE, End of Year</b>	<u>\$ 23,965,731</u>	<u>\$ 31,783</u>	<u>\$ 21,759,601</u>	<u>\$ 13,931,041</u>	<u>\$ 139,717,284</u>	<u>\$ 5,575,018</u>	<u>\$ 204,980,458</u>

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

**DURANGO SCHOOL DISTRICT 9-R**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2025**

**Net Change in Fund Balances - Total Governmental Funds** \$ 109,724,991

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation in the current period.

Capital Asset Additions	\$ 28,903,069	
Depreciation expense	(6,001,322)	
Net book value of assets disposed	<u>6,131,441</u>	
		29,033,188

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,449,404)

Repayment of bond and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2011 G.O. Refunding Bonds	\$ 3,535,000	
2021 G.O. Refunding Bonds	180,000	
Accrued Interest Payable	(1,265,969)	
Financed Purchase Payments	701,974	
2025 G.O. Bond Proceeds	(139,674,244)	
Arbitrage Rebate Liability	<u>(1,924,235)</u>	
		(138,447,474)

Governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued; whereas these amounts are in the statement of activities. This amount is the deferred and amortized in the treatment of long-term related items.

Bond Premium Amortization		1,763,425
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In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the net effect of compensated absences payable on the statement of net position. (150,827)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenses. (4,344,017)

**Change in Net Position of Governmental Activities** \$ (3,870,118)

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Durango School District 9-R (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units and the Financial Policies and Procedures Handbook as prescribed by State law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

***Reporting Entity***

The District was organized under the provisions of Colorado statutes for the purpose of operating elementary and secondary schools, primarily in La Plata County. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Pursuant to the definition of component units in GASB Statements 14, 39, and 61, the District's Board of Education has included one component unit, The Juniper School (a District Authorized Charter School).

Related Organizations: The Durango Foundation for Educational Excellence provides opportunities for individuals and groups beyond what the schools can offer. Its mission is to preserve, support, and improve educational opportunities with the community by developing a community partnership among schools, businesses and individuals. Financial activity for the Foundation is not included within the District's financial statements. Financial statements may be obtained at the Foundation's offices.

***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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The interfund services provided and used are not eliminated in the process of the consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable within a specific function or segment. *Program revenues* include: 1) charges to customers or applicants 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*.

Separate financial statements are provided for governmental funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting, and Basis of Presentation***

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

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The District defines this as 60 days. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

well as expenditures related to claims and judgments, are recorded only when payment is due. The District does not allocate indirect expenses.

Property taxes 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 government.

The government reports the following major governmental funds:

- *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Debt Service Fund* – This fund accounts for the accumulation of resources and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved financed-purchase debt.
- *Governmental Designated Grants Fund*- This fund accounts for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The federal, state and local grants account for revenue and expenses specifically related to grants which have various restrictions based on the specific grant.
- *2021 Bond Building Fund* – This fund is a capital projects fund used to account for and report debt funded financial resources that are restricted to expenditures of capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *2025 Bond Building Fund* – This fund is a capital projects fund used to account for and report bond funded financial resources that are restricted to expenditures of capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance***

Deposits and Investments

For the purposes of the statement of cash flows, the District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The District pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool, which is available upon demand.

Investments in securities are stated at fair value. Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/ payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables/payables within governmental activities are eliminated in the statement of net position. All other interfund transactions are reported as transfers.

Property taxes are levied by the Board of Education. The levy is based on assessed valuations determined by the County Assessor generally as of January 1<sup>st</sup> of each year. The levy is set by December 15<sup>th</sup> by certification to the

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

County Commissioners to put the tax lien on the individual properties as of December of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30<sup>th</sup> or, if in equal installments, at the taxpayer’s election, on February 28<sup>th</sup> and June 15<sup>th</sup>.

Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurer generally remits the taxes collected monthly to the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid items are recognized using the consumption method.

Inventories

Inventories are held by the General Fund and the Food Service Fund and are valued at cost using the first-in/first-out (FIFO) method. The District utilizes the purchase method of accounting for inventory. The Federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as non-operating revenues when expended.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities column in the Government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value at the date of donation.

The capitalization level is \$5,000 in all funds. 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.

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50-100
Buildings - Improvements	20-30
Land Improvements	20-30
Equipment and Vehicles	5-20
Computer Software	5

Compensated Absences

Each employee of the District may accumulate a total of 90 days of sick leave; however, employees are paid for the accumulated sick leave upon retirement.

The District accrues a liability for compensated absences, which meet the following criteria:

- The District’s obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

- The amount can be reasonably estimated.

The District budgets the available financial resources for that year's anticipated payments for compensated absences.

Unearned Grant Revenue

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

Deferred Outflows/Inflows of Resources

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

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

Certain amounts related to pensions and OPEB must be deferred.

Accrued Salaries and Benefits

Salaries and benefits to teachers and certain other employees are paid over a twelve-month period from September 1 to August 31, but are earned over a school year of approximately nine months. The salaries earned, but unpaid, at June 30, 2025, are reflected in the financial statements as an accrued liability.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column of the statement of net position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, 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 debt service expenditures.

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.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

Other Postemployment Benefits (OPEB)

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

Net Position

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

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

Fund Balance

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

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

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

At June 30, 2025, fund balance classifications are composed of the following:

	GOVERNMENTAL					TOTAL NONMAJOR FUNDS	TOTAL
	GENERAL FUND	DESIGNATED GRANTS FUND	DEBT SERVICE FUND	2021 BOND BUILDING FUND	2025 BOND BUILDING FUND		
Nonspendable							
Inventory	\$ 243,720	\$ -	\$ -	\$ -	\$ -	\$ 27,851	\$ 271,571
Restricted for							
TABOR 3% Reserve	2,561,588	-	-	-	-	-	2,561,588
Debt Service	-	-	21,759,601	-	-	-	21,759,601
Three Springs School	-	-	-	-	-	1,193,252	1,193,252
Capital Projects	-	-	-	13,931,041	139,717,284	-	153,648,325
	<u>2,561,588</u>	<u>-</u>	<u>21,759,601</u>	<u>13,931,041</u>	<u>139,717,284</u>	<u>1,193,252</u>	<u>179,162,766</u>
Committed							
Board Designated							
Reserve	8,584,211	-	-	-	-	-	8,584,211
Grant Programs	-	31,783	-	-	-	-	31,783
Food Service	-	-	-	-	-	679,350	679,350
Activities	-	-	-	-	-	572,633	572,633
Capital Projects	-	-	-	-	-	3,101,932	3,101,932
	<u>8,584,211</u>	<u>31,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,353,915</u>	<u>12,969,909</u>
Assigned							
Instructional	5,654,587	-	-	-	-	-	5,654,587
Support Services	387,785	-	-	-	-	-	387,785
Transportation	18,310	-	-	-	-	-	18,310
Technology	102,227	-	-	-	-	-	102,227
	<u>6,162,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,162,909</u>
Unassigned	<u>6,413,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,413,303</u>
Total Fund							
Balance	<u>\$ 23,965,731</u>	<u>\$ 31,783</u>	<u>\$ 21,759,601</u>	<u>\$ 13,931,041</u>	<u>\$ 139,717,284</u>	<u>\$ 5,575,018</u>	<u>\$ 204,980,458</u>

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

In the General Fund, the District strives to maintain a committed fund balance of no less than 15% of the general fund budgeted revenues.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for current year and actual data for the prior year.

Budgets are required by Colorado State Statute for all funds. During April, the Superintendent of Schools submits to the Board of Education, a proposed budget for all funds for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

The Chief Financial Officer is required by District policy to present a quarterly report to the Board of Education explaining any variances from the approved budget.

Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds. The appropriated budget is prepared by fund. The District's department heads may not make transfers of appropriations. The legal level of control is the fund level. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund, and the reallocation of budget line items within any department, within any fund, rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves, as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects, and normal operating variances. All budgets are adopted on a basis consistent with US generally accepted accounting principles (GAAP).

The Board of Education may authorize supplemental appropriations during the year. The Board of Education approved supplemental appropriations during the fiscal year ended June 30, 2025, which are reflected within the financial statements.

**Stewardship**

Total expenditures exceeded budgeted appropriations in the 2021 Bond Building Fund by \$3,030,441. This may be a violation of Colorado State 22-44-115(11).

***Reclassifications***

Certain amounts from 2024 have been reclassified to conform to the 2025 financial statement presentation.

***New Accounting Pronouncements***

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

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 2 CASH AND INVESTMENTS**

At June 30, 2025, the District had cash, deposits, and investments as follows:

Cash on hand and in banks	\$ 14,730,784
Cash with Fiscal Agent	<u>61,131</u>
Total Cash and Cash Equivalents	<u><u>\$ 14,791,915</u></u>
Investments	<u><u>\$ 202,486,540</u></u>

***Deposits***

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102 percent of the uninsured deposits.

***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At June 30, 2025, \$15,754,027 of the total bank balance of \$16,004,027 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

The District does not have a policy relating to interest rate risk.

***Investments***

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper, are limited to at least one of the highest rating categories of at least one nationally recognized

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of the nationally recognized rating agencies.

***Fair Value***

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

The Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool 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 pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAM by Standard and Poor’s Global Ratings.

Colorado Statewide Investment Program (CSIP) is a local government investment pool authorized under 24-75-701 et. seq. of the Colorado Revised Statutes, intended solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes. The CSIP Liquid Portfolio (LGIP) fair value of investments in underlying money market funds is based on the published net asset values per share of those funds, and maintains a stable value of \$1 per share, measured at amortized cost which approximates fair value. CSIP is rated AAAM by Standard and Poor’s Global Ratings.

**NOTE 3 INTERFUND TRANSACTIONS AND INTERNAL BALANCES**

Significant interfund transfers included are for activities supported by General Fund revenues. Interfund transfers recorded at the fund level and eliminated at the government-wide level at June 30, 2025, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 2,700,000
Interscholastic Activities Fund	1,300,000	-
Capital Reserve Capital Projects Fund	1,500,000	100,000
Total	<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>

Interfund transfers are the result of supporting operations within the interscholastic activities fund and designed to set aside funding for necessary capital repairs within the District in the capital reserve capital projects fund.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 4 CAPITAL ASSETS**

The following is a summary of changes in the governmental capital assets for the year ended June 30, 2025:

	Balance 06/30/2024	Additions	Deletions	Balance 06/30/2025
<i>Governmental Activities</i>				
Non-depreciable				
Land and Improvements	\$ 5,364,159	\$ -	\$ -	\$ 5,364,159
Construction in Progress	45,996,536	14,352,388	(37,917,831)	22,431,093
Total Non-depreciable	<u>51,360,695</u>	<u>14,352,388</u>	<u>(37,917,831)</u>	<u>27,795,252</u>
Depreciable				
Land Improvements	7,025,999	100,530	(536,493)	6,590,036
Buildings and Improvements	161,685,202	62,408,394	(20,348,009)	203,745,587
Equipment and Vehicles	13,614,337	2,222,470	(345,923)	15,490,884
Total Depreciable	<u>182,325,538</u>	<u>64,731,394</u>	<u>(21,230,425)</u>	<u>225,826,507</u>
Accumulated Depreciation				
Land Improvements	(2,221,270)	(352,491)	242,058	(2,331,703)
Buildings and Improvements	(83,806,904)	(4,831,219)	14,515,632	(74,122,491)
Equipment and Vehicles	(9,966,171)	(817,612)	341,294	(10,442,489)
Total Accumulated Depreciation	<u>(95,994,345)</u>	<u>(6,001,322)</u>	<u>15,098,984</u>	<u>(86,896,683)</u>
Net Depreciable Capital Assets	<u>86,331,193</u>	<u>58,730,072</u>	<u>(6,131,441)</u>	<u>138,929,824</u>
Total Capital Assets	<u>\$ 137,691,888</u>	<u>\$ 73,082,460</u>	<u>\$ (44,049,272)</u>	<u>\$ 166,725,076</u>

Depreciation expense was charged to the following functions:

Instructional Services	\$ 5,334,974
Administration	42,392
Business Services	1,163
Operations and Maintenance	260,528
Transportation	267,819
Other Supporting Services	64,115
Food Services	30,331
Total	<u>\$ 6,001,322</u>

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**NOTE 5 LONG-TERM OBLIGATIONS**

***Changes in Long-Term Debt***

During the period ended June 30, 2025, the following changes occurred in liabilities reported in long-term debt:

	<u>06/30/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/2025</u>	<u>Due within one year</u>
<i>Governmental Activities</i>					
General Obligation Bonds					
Series 2011 Refunding	\$ 3,535,000	\$ -	\$ (3,535,000)	\$ -	\$ -
Series 2021 Issuance	90,000,000	-	(180,000)	89,820,000	3,900,000
Series 2025 Issuance	-	130,000,000	-	130,000,000	5,580,000
	<u>93,535,000</u>	<u>130,000,000</u>	<u>(3,715,000)</u>	<u>219,820,000</u>	<u>9,480,000</u>
Bond Premium	19,531,697	9,674,244	(1,763,427)	27,442,514	1,597,319
Financed Purchase Agreements	8,038,083	-	(701,975)	7,336,108	589,719
Arbitrage Rebate Liability	1,147,588	1,924,235	-	3,071,823	3,071,823
Compensated Absences	2,037,856	112,845 *	-	2,150,701	58,549
Total	<u>\$ 124,290,224</u>	<u>\$ 141,711,324</u>	<u>\$ (6,180,402)</u>	<u>\$ 259,821,146</u>	<u>\$ 14,797,410</u>

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

***General Obligation Refunding Bond, Series 2011***

The District issued General Obligation Refunding Bonds, Series 2011 denominations of \$5,000, dated November 29, 2011, total issue \$17,200,000. The bonds were issued for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2003. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2013. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the Government-wide financial statements of the District. The outstanding balance of the defeased bonds was paid in full on November 1, 2013.

Interest, at a rate of 3.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2021 through 2024.

Bonds maturing on or before November 1, 2021, are not subject to redemption prior to maturity. Bonds maturing on November 1, 2022, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, in such a manner as the District may determine, on November 1, 2021, or any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

***General Obligation Refunding Bond, Series 2021***

The District issued General Obligation Bonds, Series 2021, denominations of \$5,000, dated March 3, 2021. The bonds were issued for the purpose of major improvement projects to existing facilities. These bond issues were primarily for governmental activities. The issued amount of the 2021 G.O. bonds was \$90,000,000.

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Interest, at a rate of 4.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2024 through 2040.

***General Obligation Bonds, Series 2025***

The District issued General Obligation Bonds, Series 2025, denominations of \$5,000, dated April 9, 2025. The bonds were issued for the purpose of major improvement projects to existing facilities. The issued amount of the 2025 G.O. bonds was \$130,000,000.

Interest, at a rate of 5.00% to 5.25%, is payable each May 1 and November 1. Principal is due annually November 1, 2025 through 2049.

All bonds noted above are general obligations of the District and shall be payable from general and ad valorem taxes required to be levied, without limitation as to rate, and in amounts sufficient to pay the principal and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose.

Total debt service requirements to maturity of all bonds outstanding are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,480,000	\$ 10,870,472	\$ 20,350,472
2027	7,780,000	10,024,475	17,804,475
2028	5,105,000	9,702,350	14,807,350
2029	5,360,000	9,440,725	14,800,725
2030	5,625,000	9,166,100	14,791,100
2031-2035	32,460,000	41,467,375	73,927,375
2036-2040	40,015,000	33,801,506	73,816,506
2041-2045	49,795,000	23,598,669	73,393,669
2046-2050	64,200,000	8,770,650	72,970,650
Total	<u>\$ 219,820,000</u>	<u>\$ 156,842,322</u>	<u>\$ 376,662,322</u>

***Financed Purchase Agreements***

The District obtained an annually renewable equipment financed purchase agreement, dated August 1, 2012, for \$3,052,303 for equipment required by the McKinstry Energy Performance Contract. The equipment is included in the capital assets at a cost of \$3,052,303, with accumulated depreciation of \$3,052,303. The agreement will be repaid from the General Fund in quarterly payments of principal and interest at 2.6%.

The District obtained an annually renewable financed purchase agreement for the acquisition, construction, equipping, and installation of track and field improvements at Durango High School and Escalante Middle School, dated June 15, 2016, for \$1,900,000. The capital improvements are included in capital assets at a cost of \$3,136,488, with accumulated depreciation of \$1,487,309. The agreement will be repaid from the Capital Projects Fund in annual payments of principal and interest at 2.05%.

The District obtained an annually renewable equipment financed purchase agreement at 4.09% interest, with Banc of America Public Capital Corp, dated February 22, 2024, for \$7,237,475. As of June 30, 2025, the District has spent \$5,617,671 on related energy upgrades. Remaining fund are held with fiscal agent and recorded in the Capital Projects Capital Building Fund, and will be spent as the upgrades continue through fiscal year 2026. Principal and interest payments begin February 22, 2025, and will continue through February 22, 2044 from the General Fund.

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The debt service requirements to maturity on financed purchases outstanding is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 589,714	\$ 291,981	\$ 881,695
2027	260,797	276,191	536,988
2028	271,474	265,514	536,988
2029	282,588	254,400	536,988
2030	294,157	242,831	536,988
2031-2035	1,661,597	1,023,345	2,684,942
2036-2040	2,030,739	654,203	2,684,942
2041-2044	1,944,902	203,052	2,147,954
Total	<u>\$ 7,335,968</u>	<u>\$ 3,211,517</u>	<u>\$ 10,547,485</u>

***Arbitrage***

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The District recorded a \$3,071,823 rebateable arbitrage liability with respect to the 2021 General Obligation Bonds for the computation period of March 03, 2021 to March 03, 2025. Payment is due in March 2026.

***Compensated Absences***

Compensated absences are liquidated by the General Fund, Governmental Designated Grant Fund, Interscholastic Activity Fund, and Food Service Fund.

**NOTE 6 TAX, SPENDING, AND DEBT LIMITATION**

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. In November 1997, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. The Amendment is complex and subject to judicial interpretation.

The District believes it is in compliance with the requirements of this Amendment. TABOR also requires local governments to establish a reserve of 3% of fiscal year spending to be used only for declared emergencies. Net position of \$2,561,588 was restricted at June 30, 2025, to meet this requirement.

**NOTE 7 DEFINED BENEFIT PENSION PLAN**

***General Information about the Pension Plan***

*Plan description.* Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be

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amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

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

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

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

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

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

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

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$9,845,084 for the year ended June 30, 2025.

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

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

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

At June 30, 2025, the District reported a liability of \$105,821,610 for its proportionate share of the net pension liability that reflected an increase for support from the State as a non-employer 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 non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Durango School District's proportionate share of the net position liability	\$ 105,821,610
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Durango School District	9,504,461
Total	\$ 115,326,071

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At December 31, 2024, the District's proportion was 0.613%, which was a decrease of 0.009% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$5,043,605 and revenue of \$867,474 for support from the State as a non-employer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,992,519	\$ -
Changes in assumptions and other inputs	793,357	-
Net difference between projected and actual earnings on pension plan investments	1,996,560	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,425,904	1,745,921
Contributions subsequent to the measurement date	5,009,170	-
Total	\$ 24,217,510	\$ 1,745,921

\$5,009,170 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:

<u>Year Ended June 30,</u>	
2026	\$ 12,331,732
2027	9,611,686
2028	(3,057,056)
2029	(1,423,942)
2030	-
Thereafter	-

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

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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 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; (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

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

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board on November 20, 2020.

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

Salary increases, including wage inflation:	4.00%-13.40%
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Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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	<u>100.00%</u>	

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

*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:

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- 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 Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a non-employer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), 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.

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

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 143,469,578	\$ 105,821,610	\$ 74,286,175

*Pension plan fiduciary net position-* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS**

***General Information about the OPEB Plan***

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

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***PERA Benefit Structure***

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$492,737 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 \$1,877,573 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.393%, which was an increase of 0.020% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025 the District recognized OPEB expense of (\$699,588). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 414,155
Changes of assumptions or other inputs	21,530	600,166
Net difference between projected and actual earnings on pension plan investments	6,365	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	466,027	118,528
Contributions subsequent to the measurement date	250,704	-
Total	<u>\$ 744,626</u>	<u>\$ 1,132,849</u>

\$250,704 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:

<u>Year Ended June 30,</u>	
2026	\$ (264,984)
2027	(95,745)
2028	(131,514)
2029	(61,521)
2030	(47,971)
Thereafter	(37,191)

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

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

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

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

**Age-Related Morbidity Assumptions**

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

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

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

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

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

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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 PERA Care enrollees not eligible for premium-free Medicare Part A.

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>MAPD PPO #2</u>	<u>Medicare Part A Premiums</u>
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

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

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

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

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

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

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

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.

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- MAPD premium costs are no longer age graded.

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

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

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

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

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,826,986	\$ 1,877,573	\$ 1,934,823

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

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

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

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- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- 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 HCTF’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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Proportionate share of the net OPEB liability	\$ 2,300,994	\$ 1,877,573	\$ 1,512,532

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

**NOTE 9 OTHER RETIREMENT PLANS**

**Voluntary Investment Program (PERAPlus 401(k) Plan)**

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

*Funding Policy* – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings.

**Deferred Compensation Plan (PERAPlus 457 Plan)**

*Plan Description* – Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

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Funding Policy – The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended.

***Other Retirement Plans***

In addition to facilitating voluntary retirements through PERA, the District offers several other options to employees. These include a 401(K) or Roth IRA through American Fidelity Assurance, a 401(K) or 403 (B) administered through AXA Equitable, and a 403(B) or a Roth IRA administered through Horace Mann Life Insurance. All of them are funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended, the costs are born by the employees, and the District does not match contributions. Employees are immediately vested in their own contributions and investment earnings.

The District made no contributions to other retirement plans during Fiscal Year 2025.

**NOTE 10 RISK OF LOSS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has property and casualty insurance with the Colorado School Districts' Self-Insurance Pool. Insurance claims have not exceeded coverage over the past three years.

***Colorado School Districts' Self-Insurance Pool***

The District belongs to the Colorado School Districts' Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of general liability, errors and omissions, automobile liability, auto physical damage, auto personal injury protection, real and personal property, crime, and other coverage. The Board of Directors is composed of eight persons, several of who are appointed by the Board of Directors of CASB and the Executive Director of CASB. The pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

**NOTE 11 CONTINGENCIES AND COMMITMENTS**

***Grants***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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***Litigation***

Various claims and lawsuits are pending against the District. After consideration of applicable insurance policy coverage and relative merits of each claim or lawsuit, it is the opinion of District counsel that the potential ultimate liability resulting from these actions, if any, will not require additional accrued reserves and will not have a material adverse financial effect on the District.

***Bond Proceeds***

The 2025 Bond construction program has several components that began in Fiscal Year 2025 and is scheduled to be completed by the end of Fiscal Year 2029. The primary areas of investment are to construct a new elementary school at Three Springs to replace Florida Mesa Elementary, important deferred maintenance needs in existing facilities, investing in workforce housing solutions and acquiring, constructing, or improving any district-owned capital assets.

**NOTE 12 SUBSEQUENT EVENTS**

*28745 East US HWY 160 Purchase*

The District purchased property located at 28745 East US HWY 160 from Watertowne Properties LLC, for \$1,750,000 in August of 2025 to be used as a facilities warehouse.

*20310 US HWY 160 West Purchase*

The District purchased property located at 20310 US HWY 160 West from Lightner Creek Apartments LLC, for \$9,925,000 in October of 2025 to be used for work force housing.

***Construction Project - Three Springs Elementary School***

During fiscal year 2025, the District entered into an agreement for construction services totaling \$45,000,000 to begin in June 2026. The estimated total cost of the new building is \$50,000,000. The project is being financed through 2025 Bond proceeds.

**NOTE 13 PRIOR PERIOD ADJUSTMENT**

***Restatement of Prior Period Balances***

During the year ended June 30, 2025, the District identified a cutoff error related to the recording of cash and investments at fiscal year-end June 30, 2024. An investment matured on June 30, 2024, but the related ACH deposit was not credited to the District’s operating bank account and therefore, recorded in the general ledger until July 1, 2024. As a result, both cash and fund balance were understated by \$3.1 million as of June 30, 2024.

The error has been corrected by restating the beginning balances as of July 1, 2024. The following table summarizes the effects of the restatement on the beginning balances of the affected funds and activities:

<u>Fund/Activity</u>	<u>Beginning Fund Balance/ Net Position, as Previously Reported</u>	<u>Adjustment for Cutoff Error</u>	<u>Beginning Fund Balance/ Net Position, as Restated</u>
2021 Bond Building Fund	\$ 42,906,461	\$ 3,100,000	\$ 46,006,461
Governmental Activities	\$ 26,299,616	\$ 3,100,000	\$ 29,399,616

## ***DURANGO SCHOOL DISTRICT 9-R***

### ***REQUIRED SUPPLEMENTARY INFORMATION***

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

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 37,761,251	\$ 39,119,591	\$ 39,009,623	\$ (109,968)
Intermediate Sources	29,934	31,525	31,525	-
State Sources	29,575,795	34,059,738	35,458,676	1,398,938
Federal Sources	130,624	113,974	114,602	628
<b>Total Revenues</b>	<b>67,497,604</b>	<b>73,324,828</b>	<b>74,614,426</b>	<b>1,289,598</b>
<b>EXPENDITURES</b>				
Instructional Program	34,374,169	41,613,127	39,251,125	2,362,002
Student Support Services	3,898,432	3,818,678	3,884,901	(66,223)
Instructional Staff Support Services	3,342,805	4,024,095	4,468,658	(444,563)
General Administration Support Services	932,006	1,143,456	1,330,549	(187,093)
School Administration Support Services	4,622,200	4,801,885	4,873,230	(71,345)
Business Support Services	871,283	928,117	938,923	(10,806)
Operations and Maint. of Plant Services	8,248,428	9,305,316	9,659,504	(354,188)
Student Transportation Services	3,787,474	2,444,731	2,443,888	843
Central Support Services	3,918,554	-	-	-
Other Support Services	-	5,999,634	6,362,427	(362,793)
Community Service Operations	-	-	195,710	(195,710)
Debt Service	802,253	802,253	802,253	-
<b>Total Expenditures</b>	<b>64,797,604</b>	<b>74,881,292</b>	<b>74,211,168</b>	<b>670,124</b>
Excess (deficiency) of revenues over expenditures	2,700,000	(1,556,464)	403,258	1,959,722
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(2,700,000)	(2,700,000)	(2,700,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,700,000)</b>	<b>(2,700,000)</b>	<b>(2,700,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (4,256,464)</b>	<b>(2,296,742)</b>	<b>\$ 1,959,722</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>26,262,473</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 23,965,731</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GOVERNMENTAL DESIGNATED GRANTS FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 150,000	\$ 1,400,000	\$ 467,635	\$ (932,365)
Intermediate Sources	-	-	37,238	37,238
State Sources	4,500,000	4,600,000	4,197,314	(402,686)
Federal Sources	2,878,025	3,100,000	3,981,268	881,268
<b>Total Revenues</b>	<b>7,528,025</b>	<b>9,100,000</b>	<b>8,683,455</b>	<b>(416,545)</b>
<b>EXPENDITURES</b>				
Instructional Program	2,981,913	4,857,278	4,614,669	242,609
Student Support Services	1,602,041	1,602,041	1,595,919	6,122
Instructional Staff Support Services	2,123,741	2,020,351	1,965,507	54,844
General Administration Support Services	289,300	89,300	49,130	40,170
School Administration Support Services	68,983	68,983	61,303	7,680
Operations and Maintenance Services	172,086	172,086	172,087	(1)
Other Support Services	2,430	2,430	1,961	469
Food Services	24,397	24,397	13,719	10,678
Community Service Operations	228,388	228,388	203,229	25,159
Facilities Acquisition and Construction Cost	34,746	34,746	5,934	28,812
<b>Total Expenditures</b>	<b>7,528,025</b>	<b>9,100,000</b>	<b>8,683,458</b>	<b>416,542</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3)</b>	<b>\$ (3)</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>31,786</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 31,783</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.613284%	0.622483%	0.451553%	0.499307%	0.587007%	0.556800%	0.578896%	0.616751%	0.593649%	0.605550%
District's proportionate share of the net pension liability (asset)	\$ 105,821,610	\$ 110,076,274	\$ 82,225,364	\$ 58,106,128	\$ 88,743,684	\$ 83,184,656	\$ 102,505,467	\$ 199,435,591	\$ 176,752,181	\$ 92,614,521
State's proportionate share of the net pension liability	9,504,461	2,413,646	23,961,297	6,661,125	-	10,550,916	14,016,199	-	-	-
<b>Total</b>	<u>\$ 115,326,071</u>	<u>\$ 112,489,920</u>	<u>\$ 106,186,661</u>	<u>\$ 64,767,253</u>	<u>\$ 88,743,684</u>	<u>\$ 93,735,572</u>	<u>\$ 116,521,666</u>	<u>\$ 199,435,591</u>	<u>\$ 176,752,181</u>	<u>\$ 92,614,521</u>
District's covered payroll	\$ 47,269,306	\$ 41,145,822	\$ 34,557,408	\$ 30,870,784	\$ 31,405,995	\$ 32,720,033	\$ 31,824,104	\$ 28,567,619	\$ 26,643,022	\$ 26,374,119
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	224%	268%	238%	188%	283%	254%	322%	698%	663%	351%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.2%

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

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,845,084	\$ 9,206,641	\$ 7,628,128	\$ 6,389,244	\$ 6,075,549	\$ 6,328,448	\$ 6,209,483	\$ 5,597,074	\$ 5,000,261	\$ 4,694,021
Contributions in relation to the contractually required contribution	<u>(9,845,084)</u>	<u>(9,206,641)</u>	<u>(7,628,128)</u>	<u>(6,389,244)</u>	<u>(6,075,549)</u>	<u>(6,328,448)</u>	<u>(6,209,483)</u>	<u>(5,597,074)</u>	<u>(5,000,261)</u>	<u>(4,694,021)</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	\$ 48,307,508	\$ 45,174,060	\$ 37,429,459	\$ 32,139,056	\$ 30,561,105	\$ 32,654,514	\$ 32,391,134	\$ 30,115,278	\$ 26,987,628	\$ 26,482,692
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.17%	18.59%	18.53%	17.72%

See Notes to the Required Supplementary Information.

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.3926605%	0.3723976%	0.3431256%	0.3260091%	0.3396291%	0.3638963%	0.3762747%	0.3504359%	0.3374370%
District's proportionate share of the net OPEB liability (asset)	\$ 1,877,573	\$ 2,657,898	\$ 2,801,548	\$ 2,811,193	\$ 3,227,240	\$ 4,090,187	\$ 5,119,375	\$ 4,554,265	\$ 4,374,985
District's covered payroll	\$ 47,269,306	\$ 41,145,822	\$ 34,557,408	\$ 30,870,784	\$ 31,405,995	\$ 32,720,033	\$ 31,824,104	\$ 28,567,619	\$ 26,643,022
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	4%	6%	8%	9%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.50%	17.00%	17.50%	16.70%

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

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

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 492,737	\$ 460,775	\$ 381,780	\$ 327,818	\$ 311,639	\$ 333,076	\$ 330,390	\$ 307,176	\$ 275,274	\$ 270,123
Contributions in relation to the contractually required contribution	<u>(492,737)</u>	<u>(460,775)</u>	<u>(381,780)</u>	<u>(327,818)</u>	<u>(311,639)</u>	<u>(333,076)</u>	<u>(330,390)</u>	<u>(307,176)</u>	<u>(275,274)</u>	<u>(270,123)</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	\$ 48,307,508	\$ 45,174,060	\$ 37,429,459	\$ 32,139,056	\$ 30,561,105	\$ 32,654,514	\$ 32,391,134	\$ 30,115,278	\$ 26,987,628	\$ 26,482,692
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See Notes to the Required Supplementary Information

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

**NOTE 1 PENSION PLAN - COLORADO PERA SCHDTF**

**Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

*2024*

- There were no changes made to the plan provisions.

*2023*

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

*2022*

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

*2021*

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

*2020*

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

*2019*

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

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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

*2018*

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

*2017* – no changes

*2016* – no changes

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

*2024*

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

*2023* – no changes

*2022*– no changes

*2021*

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

*2020*

- The price inflation assumption was lowered from 2.40% to 2.30%.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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

*2019*

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

*2018*

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

*2017*

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

*2016*

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.

- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

#### **Subsequent Events**

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

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

##### **Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

###### *2024*

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

###### *2023*

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033 and \$24,967, respectively.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

2022

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

2021 – no changes

2020 – no changes

2019 – no changes

2018 – no changes

2017

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

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

2024

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

2023 – no changes

2022

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

2021 – no changes

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

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

*2019* – no changes

*2018* – no changes

*2017* – no changes

## ***DURANGO SCHOOL DISTRICT 9-R***

### ***SUPPLEMENTARY INFORMATION***

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

**DURANGO SCHOOL DISTRICT 9-R  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

**Food Service Fund** – This fund is used to account for the operations of the school breakfast and lunch programs.

**Interscholastic Activities Fund** – This fund is used to account for revenues and expenditures associated with interscholastic athletics and activities.

**Student Activities Fund-** This fund is used to account for revenues and expenditures associated with student activities.

**CAPITAL PROJECTS FUNDS**

**Capital Reserve Capital Projects Fund -** This fund is used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

**DURANGO SCHOOL DISTRICT 9-R**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2025**

	<u>SPECIAL REVENUE FUNDS</u>			<b>CAPITAL RESERVE CAPITAL PROJECTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
	<b>FOOD SERVICE FUND</b>	<b>INTER- SCHOLASTIC ACTIVITIES FUNDS</b>	<b>STUDENT ACTIVITIES FUND</b>		
<b>ASSETS</b>					
Equity in Pooled Cash	\$ 641,385	\$ 132,432	\$ 510,414	\$ 4,939,853	\$ 6,224,084
Accounts Receivable	291	4,000	-	-	4,291
Due from Other Government	225,764	-	-	-	225,764
Materials and Supplies Inventory	26,448	-	-	-	26,448
Prepaid Expenses	-	1,404	-	-	1,404
	<u>\$ 893,888</u>	<u>\$ 137,836</u>	<u>\$ 510,414</u>	<u>\$ 4,939,853</u>	<u>\$ 6,481,991</u>
Total Assets					
	<u>\$ 893,888</u>	<u>\$ 137,836</u>	<u>\$ 510,414</u>	<u>\$ 4,939,853</u>	<u>\$ 6,481,991</u>
<b>LIABILITIES</b>					
Account Payable	\$ 3,970	\$ 3,353	\$ 24,322	\$ 644,669	\$ 676,314
Accrued Salaries and Benefits	184,120	45,408	1,131	-	230,659
Unearned Grant Revenue	-	-	-	-	-
	<u>188,090</u>	<u>48,761</u>	<u>25,453</u>	<u>644,669</u>	<u>906,973</u>
Total Liabilities					
	<u>188,090</u>	<u>48,761</u>	<u>25,453</u>	<u>644,669</u>	<u>906,973</u>
<b>FUND BALANCES</b>					
Nonspendable	26,448	1,403	-	-	27,851
Restricted	-	-	-	1,193,252	1,193,252
Committed	679,350	87,672	484,961	3,101,932	4,353,915
	<u>705,798</u>	<u>89,075</u>	<u>484,961</u>	<u>4,295,184</u>	<u>5,575,018</u>
Total Fund Balances					
	<u>705,798</u>	<u>89,075</u>	<u>484,961</u>	<u>4,295,184</u>	<u>5,575,018</u>
Total Liabilities and Fund Balances	<u>\$ 893,888</u>	<u>\$ 137,836</u>	<u>\$ 510,414</u>	<u>\$ 4,939,853</u>	<u>\$ 6,481,991</u>

**DURANGO SCHOOL DISTRICT 9-R**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2025**

	<u>SPECIAL REVENUE FUNDS</u>			<u>CAPITAL RESERVE CAPITAL PROJECT FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
	<u>FOOD SERVICE FUND</u>	<u>INTER- SCHOLASTIC ACTIVITIES FUND</u>	<u>STUDENT ACTIVITIES FUND</u>		
<b>REVENUES</b>					
Local Sources	\$ 34,581	\$ 235,976	\$ 629,005	\$ -	\$ 899,562
Intermediate Sources	-	-	-	207,987	207,987
State Sources	843,240	-	-	(9,817)	833,423
Federal Sources	1,454,456	-	-	-	1,454,456
Total Revenues	<u>2,332,277</u>	<u>235,976</u>	<u>629,005</u>	<u>198,170</u>	<u>3,395,428</u>
<b>EXPENDITURES</b>					
Instructional Services	-	1,124,878	603,574	-	1,728,452
Instructional Staff Support Services	-	467,804	-	-	467,804
Operations and Maint. of Plant Services	-	-	-	844,221	844,221
Student Transportation Services	-	-	-	-	-
Food Services	2,736,823	-	-	-	2,736,823
Community Service Operations	-	-	-	-	-
Other Support Services	-	-	-	127,578	127,578
Facilities Acquisition and Construction Services	-	-	-	5,917,693	5,917,693
Debt Services	-	212,074	-	-	212,074
Total Expenditures	<u>2,736,823</u>	<u>1,804,756</u>	<u>603,574</u>	<u>6,889,492</u>	<u>12,034,645</u>
Excess (deficiency) of revenues over expenditures	<u>(404,546)</u>	<u>(1,568,780)</u>	<u>25,431</u>	<u>(6,691,322)</u>	<u>(8,639,217)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers From (To) Other Funds	-	1,300,000	-	1,400,000	2,700,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,300,000</u>	<u>-</u>	<u>1,400,000</u>	<u>2,700,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(404,546)</u>	<u>(268,780)</u>	<u>25,431</u>	<u>(5,291,322)</u>	<u>(5,939,217)</u>
<b>FUND BALANCE, Beginning of Year</b>	<u>1,110,344</u>	<u>357,855</u>	<u>459,530</u>	<u>9,586,506</u>	<u>11,514,235</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 705,798</u>	<u>\$ 89,075</u>	<u>\$ 484,961</u>	<u>\$ 4,295,184</u>	<u>\$ 5,575,018</u>

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSTIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 20,000	\$ 43,000	\$ 34,581	\$ (8,419)
State Sources	900,000	886,000	843,240	(42,760)
Federal Sources	900,000	1,126,000	1,454,456	328,456
Total Revenues	<u>1,820,000</u>	<u>2,055,000</u>	<u>2,332,277</u>	<u>277,277</u>
<b>EXPENDITURES</b>				
Food Services				
Salaries	1,002,357	1,010,104	990,511	19,593
Benefits	376,986	376,986	372,288	4,698
Purchased Services	260	260	3,661	(3,401)
Purchased Property Services	76,740	90,740	71,395	19,345
Travel, Registration, and Entrance	-	2,000	452	1,548
Food, Commodities, and Supplies	859,915	1,200,000	1,228,009	(28,009)
Other Purchased Services	-	-	1,283	(1,283)
Equipment	130,000	130,000	67,611	62,389
Dues and Fees	-	2,000	1,613	387
Reserves	461,955	-	-	-
Total Expenditures	<u>2,908,213</u>	<u>2,812,090</u>	<u>2,736,823</u>	<u>75,267</u>
Excess (deficiency) of revenues over expenditures	<u>(1,088,213)</u>	<u>(757,090)</u>	<u>(404,546)</u>	<u>352,544</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,088,213)</u>	<u>\$ (757,090)</u>	(404,546)	<u>\$ 352,544</u>
<b>FUND BALANCE, Beginning of Year</b>			<u>1,110,344</u>	
<b>FUND BALANCE, End of Year</b>			<u>\$ 705,798</u>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**INTERSCHOLASTIC ACTIVITIES FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSTIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 250,000	\$ 230,000	\$ 235,976	\$ 5,976
Total Revenues	250,000	230,000	235,976	5,976
<b>EXPENDITURES</b>				
Instructional Program	660,924	980,452	1,124,878	(144,426)
Instructional Staff Support Services	613,761	613,765	467,804	145,961
Debt Services	212,075	212,074	212,074	-
Reserve	585,194	-	-	-
Total Expenditures	2,071,954	1,806,291	1,804,756	1,535
Excess (deficiency) of revenues over expenditures	(1,821,954)	(1,576,291)	(1,568,780)	7,511
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,300,000	1,300,000	1,300,000	-
Total Other Financing Sources (Uses)	1,300,000	1,300,000	1,300,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (521,954)</b>	<b>\$ (276,291)</b>	<b>(268,780)</b>	<b>\$ 7,511</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>357,855</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 89,075</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**STUDENT ACTIVITIES FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSTIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources	\$ 350,000	\$ 624,000	\$ 629,005	\$ 5,005
Total Revenues	<u>350,000</u>	<u>624,000</u>	<u>629,005</u>	<u>5,005</u>
<b>EXPENDITURES</b>				
Instructional Program	<u>843,513</u>	<u>1,083,530</u>	<u>603,574</u>	<u>479,956</u>
Total Expenditures	<u>843,513</u>	<u>1,083,530</u>	<u>603,574</u>	<u>479,956</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (493,513)</u>	<u>\$ (459,530)</u>	25,431	<u>\$ 484,961</u>
<b>FUND BALANCE, Beginning of Year</b>			<u>459,530</u>	
<b>FUND BALANCE, End of Year</b>			<u>\$ 484,961</u>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL RESERVE CAPITAL PROJECTS FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSTIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Intermediate Sources	-	-	207,987	207,987
State Sources	-	-	(9,817)	(9,817)
<b>Total Revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>198,170</b>	<b>(101,830)</b>
<b>EXPENDITURES</b>				
Operations and Maint. of Plant Services	-	-	844,221	(844,221)
Student Transportation Services	-	-	127,578	(127,578)
Facilities Acq. and Const. Services	8,000,000	8,000,000	5,917,693	2,082,307
<b>Total Expenditures</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>6,889,492</b>	<b>1,110,508</b>
Excess (deficiency) of revenues over expenditures	(7,700,000)	(7,700,000)	(6,691,322)	1,008,678
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Fixed Assets	-	-	-	-
Transfers In	1,600,000	1,500,000	1,500,000	-
Transfers Out	(100,000)	(100,000)	(100,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,500,000</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (6,200,000)</b>	<b>\$ (6,300,000)</b>	<b>(5,291,322)</b>	<b>\$ 1,008,678</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>9,586,506</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 4,295,184</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSTIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 9,761,658	\$ 14,989,389	\$ 18,037,265	\$ 3,047,876
Total Revenues	9,761,658	14,989,389	18,037,265	3,047,876
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,715,000	3,715,000	3,715,000	-
Interest	4,003,175	4,003,175	4,003,176	(1)
Other	2,000	2,000	-	2,000
Reserves	12,254,757	-	-	-
Total Expenditures	19,974,932	7,720,175	7,718,176	1,999
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (10,213,274)</b>	<b>\$ 7,269,214</b>	10,319,089	<b>\$ 3,049,875</b>
<b>FUND BALANCE, Beginning of Year</b>			11,440,512	
<b>FUND BALANCE, End of Year</b>			<b>\$ 21,759,601</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**2021 BOND BUILDING FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSTIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 300,000	\$ 300,000	\$ 1,697,021	\$ 1,397,021
Total Revenue	300,000	300,000	1,697,021	1,397,021
<b>EXPENDITURES</b>				
Business Support Services	-	-	-	-
Operations and Maint. of Plant Services	-	-	1,158,770	(1,158,770)
Student Transportation Services	-	-	193,678	(193,678)
Facilities Acqu. and Const. Cost	14,212,452	30,742,000	32,414,247	(1,672,247)
Debt Service	-	-	5,746	(5,746)
Total Expenditures	14,212,452	30,742,000	33,772,441	(3,030,441)
Excess (deficiency) of revenues over expenditures	(13,912,452)	(30,442,000)	(32,075,420)	(1,633,420)
<b>OTHER FINANCING SOURCES (USES)</b>				
Finance Purchase Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (13,912,452)</b>	<b>\$ (30,442,000)</b>	<b>(32,075,420)</b>	<b>\$ (1,633,420)</b>
<b>FUND BALANCE, Beginning of Year, As Previously Stated</b>			42,906,461	
<b>Prior Period Adjustment, Note 13</b>			3,100,000	
<b>FUND BALANCE, Beginning of Year, Restated</b>			46,006,461	
<b>FUND BALANCE, End of Year</b>			<b>\$ 13,931,041</b>	

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**2025 BOND BUILDING FUND**  
**For the Fiscal Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSTIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources	\$ -	\$ 1,000,000	\$ 1,380,573	\$ 380,573
Total Revenues	-	1,000,000	1,380,573	380,573
<b>EXPENDITURES</b>				
Operations and Maint. of Plant Services	-	228,000	7,225	220,775
Capital Outlay	-	8,744,101	586,608	8,157,493
Debt Service	-	-	743,700	(743,700)
Total Expenditures	-	8,972,101	1,337,533	7,634,568
Excess (deficiency) of revenues over expenditures	-	(7,972,101)	43,040	8,015,141
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	137,930,544	139,674,244	1,743,700
Total Other Financing Sources (Uses)	-	137,930,544	139,674,244	1,743,700
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 129,958,443</b>	<b>139,717,284</b>	<b>\$ 9,758,841</b>
<b>FUND BALANCE, Beginning of Year</b>			-	
<b>FUND BALANCE, End of Year</b>			<b>\$ 139,717,284</b>	

## **DURANGO SCHOOL DISTRICT 9-R STATISTICAL SECTION**

This part of the Durango School District 9-R Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

### **Financial Trend Data**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity Data**

These schedules contain information to help the reader assess the District's most significant local revenue source, the ad valorem property tax.

### **Debt Capacity Data**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial reports relate to the services the District provides and the activities it performs.

DURANGO SCHOOL DISTRICT 9-R

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 37,014,006	\$ 43,572,599	\$ 47,485,436	\$ 52,326,437	\$ 55,870,286	\$ 55,835,444	\$ 62,060,940	\$ 75,400,215	\$ 59,493,569	65,334,768
Restricted	12,033,056	12,276,497	12,862,764	13,015,073	15,304,321	130,623,544	26,121,794	15,469,203	15,135,635	25,514,441
Unrestricted	<u>(73,252,267)</u>	<u>(102,287,572)</u>	<u>(146,500,800)</u>	<u>(138,944,154)</u>	<u>(123,426,807)</u>	<u>(204,047,696)</u>	<u>(74,875,890)</u>	<u>(65,658,817)</u>	<u>(48,329,588)</u>	<u>(65,329,711)</u>
Total Governmental Activities										
Net Position	<u>(24,205,205)</u>	<u>(46,438,476)</u>	<u>(86,152,600)</u>	<u>(73,602,644)</u>	<u>(52,252,200)</u>	<u>(17,588,708)</u>	<u>13,306,844</u>	<u>25,210,601</u>	<u>26,299,616</u>	<u>25,519,498</u>
Business-Type Activities										
Net Investment in Capital Assets										
Unrestricted	<u>9,455</u>	<u>2,420</u>	<u>4,745</u>							
Total Business-Type Activities										
Net Position	<u>9,455</u>	<u>2,420</u>	<u>4,745</u>							
Primary Government										
Net Investment in Capital Assets	37,014,006	43,572,599	47,485,436	52,326,437	55,870,286	55,835,444	62,060,940	75,400,215	59,493,569	65,344,768
Restricted	12,033,056	12,276,497	12,862,764	13,015,073	15,304,321	130,623,544	26,121,794	15,469,203	15,135,635	25,514,441
Unrestricted	<u>(73,242,812)</u>	<u>(102,285,152)</u>	<u>(146,496,055)</u>	<u>(138,944,154)</u>	<u>(123,426,807)</u>	<u>(204,047,696)</u>	<u>(74,875,890)</u>	<u>(65,658,817)</u>	<u>(48,329,588)</u>	<u>(65,329,711)</u>
Total Primary Government										
Net Position	<u>\$ (24,195,750)</u>	<u>\$ (46,436,056)</u>	<u>\$ (86,147,855)</u>	<u>\$ (73,602,644)</u>	<u>\$ (52,252,200)</u>	<u>\$ (17,588,708)</u>	<u>\$ 13,306,844</u>	<u>\$ 25,210,601</u>	<u>\$ 26,299,616</u>	<u>\$ 25,529,498</u>

Source: District Records (Statement of Net Position)

DURANGO SCHOOL DISTRICT 9-R  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction	\$ 31,160,154	\$ 48,940,646	\$ 60,444,717	\$ 35,556,077	\$ 32,897,540	\$ 36,206,510	\$ 29,415,846	\$ 48,067,798	\$ 55,965,485	\$ 54,670,294
Pupil Activities	5,999,118	9,311,883	13,016,266	7,628,000	6,690,178	5,207,072	4,523,860	9,484,532	12,251,282	13,164,735
General & School Administration	3,921,263	6,197,572	7,307,791	3,643,225	4,098,573	3,141,882	2,556,075	5,325,909	6,503,166	6,692,057
Business Services	638,094	1,718,662	1,516,067	853,828	584,918	471,982	444,813	743,264	899,401	988,068
Maintenance & Operations	4,809,893	6,395,265	8,637,237	5,916,484	5,445,609	4,020,168	4,573,425	8,124,268	10,364,636	12,502,829
Transportation	1,490,801	2,414,032	2,808,372	1,712,849	1,295,264	1,188,683	1,240,643	2,537,908	3,009,332	3,043,099
Central Services	2,675,149	3,612,387	4,237,587	2,644,356	2,736,312	1,808,115	1,673,603	3,908,125	4,080,169	6,787,147
Food Services	1,414,038	2,121,810	2,540,326	1,684,667	1,469,169	1,158,421	1,573,367	1,991,125	2,699,607	2,865,957
Other Community Services	143,115	507,601	420,260	1,427,361	1,072,123	1,516,099	7,705,219	4,437,731	414,206	398,939
Facilities Acq. and Const. Services									3,979,422	3,889,972
Interest & Fiscal Charges	1,698,807	1,386,913	1,187,172	909,612	680,767	1,161,951	3,118,301	3,230,838	4,063,581	5,225,784
<b>Total Governmental Activities Expenses</b>	<b>53,950,432</b>	<b>82,606,771</b>	<b>102,115,795</b>	<b>61,956,459</b>	<b>56,970,453</b>	<b>55,880,883</b>	<b>56,825,152</b>	<b>87,851,499</b>	<b>104,230,288</b>	<b>110,228,882</b>
Business-Type Activities:										
Food Services										
After School Enrichment Program	361,132	291,059	307,486							
<b>Total Business-Type Activities</b>	<b>361,132</b>	<b>291,059</b>	<b>307,486</b>							
<b>Total Primary Government Expenses</b>	<b>54,311,564</b>	<b>82,897,830</b>	<b>102,423,281</b>	<b>61,956,459</b>	<b>56,970,453</b>	<b>55,880,883</b>	<b>56,825,152</b>	<b>87,851,499</b>	<b>104,230,288</b>	<b>110,228,882</b>
Program Revenues										
Governmental Activities:										
Operating Grants, Contributions & Interest	3,752,647	4,243,764	7,347,380	9,222,859	8,896,428	11,836,058	11,329,886	16,682,652	19,023,920	16,735,290
Capital Grants & Contributions	2,331	17,000	11,350	825,709	622,671	58,334	106,513	1,425,374	178,350	230,976
Charges for Services and Sales-Tuition										
Charges for Services and Sales-Other	1,264,208	1,202,262	1,100,685	1,271,053	995,417	532,413	1,021,057	1,572,601	759,835	759,341
<b>Total Governmental Activities Program Revenues</b>	<b>5,019,186</b>	<b>5,463,026</b>	<b>8,459,415</b>	<b>11,319,621</b>	<b>10,514,516</b>	<b>12,426,805</b>	<b>12,457,456</b>	<b>19,680,627</b>	<b>19,962,105</b>	<b>17,725,607</b>
Business-Type Activities:										
Charges for Services and Sales	319,874	249,024	229,811							
Operating Grants, Contributions & Interest										
<b>Total Business-Type Activities Program Revenues</b>	<b>319,874</b>	<b>249,024</b>	<b>229,811</b>							
<b>Total Primary Government Program Revenues</b>	<b>5,339,060</b>	<b>5,712,050</b>	<b>8,689,226</b>	<b>11,319,621</b>	<b>10,514,516</b>	<b>12,426,805</b>	<b>12,457,456</b>	<b>19,680,627</b>	<b>19,962,105</b>	<b>17,725,607</b>
Net (Expense)/ Revenue										
Governmental Activities	(48,931,246)	(77,143,745)	(93,656,380)	(50,636,838)	(46,455,937)	(43,454,078)	(44,367,696)	(68,170,872)	(84,268,183)	(92,503,275)
Business-Type Activities	(41,258)	(42,035)	(77,675)							
<b>Total Primary Government Net Expense</b>	<b>(48,972,504)</b>	<b>(77,185,780)</b>	<b>(93,734,055)</b>	<b>(50,636,838)</b>	<b>(46,455,937)</b>	<b>(43,454,078)</b>	<b>(44,367,696)</b>	<b>(68,170,872)</b>	<b>(84,268,183)</b>	<b>(92,503,275)</b>
General Revenues & Other Changes in Net Positions										
Governmental Activities:										
Taxes	28,936,827	28,819,200	29,580,471	31,272,842	32,537,813	33,572,523	35,656,545	38,108,451	43,772,736	51,787,817
State Equalization	20,874,848	25,383,015	27,946,228	31,118,491	34,952,471	44,480,144	38,361,374	37,933,593	36,491,270	31,919,401
Investment Earnings	46,438	133,426	279,060	450,653	343,091	64,905	(890,108)	4,032,585	2,697,795	4,925,939
Amortization of Bond Premium										
Gain on Sale Land	142,342						2,135,437		2,999,203	
Miscellaneous	601,033	609,833	451,548							
Transfer	(50,500)	(35,000)	(80,000)							
<b>Total Governmental Activities</b>	<b>50,550,988</b>	<b>54,910,474</b>	<b>58,177,307</b>	<b>62,841,986</b>	<b>67,833,375</b>	<b>78,117,572</b>	<b>75,263,248</b>	<b>80,074,629</b>	<b>85,961,004</b>	<b>88,633,157</b>
Business-Type Activities:										
Other sources										
Transfer	50,500	35,000	80,000							
<b>Total Business-Type Activities</b>	<b>50,500</b>	<b>35,000</b>	<b>80,000</b>							
<b>Total Primary Government</b>	<b>50,601,488</b>	<b>54,945,474</b>	<b>58,257,307</b>	<b>62,841,986</b>	<b>67,833,375</b>	<b>78,117,572</b>	<b>75,263,248</b>	<b>80,074,629</b>	<b>85,961,004</b>	<b>88,633,157</b>
Changes in Net Position										
Governmental Activities	1,619,742	(22,233,271)	(35,479,073)	12,205,149	21,350,441	34,663,494	30,895,552	11,903,757	1,692,821	(3,870,118)
Change in Accounting Principle Governmental				344,806						
Business-Type Activities	9,242	(7,035)	2325							
Change in Accounting Principle Business-Type				(4,745)						
<b>Changes in Net Position</b>	<b>1,628,984</b>	<b>(22,240,306)</b>	<b>(35,476,748)</b>	<b>12,545,210</b>	<b>21,350,441</b>	<b>34,663,494</b>	<b>30,895,552</b>	<b>11,903,757</b>	<b>1,692,821</b>	<b>(3,870,118)</b>

Source: District Records (Statement of Activities)

DURANGO SCHOOL DISTRICT 9-R  
FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 58,549	\$ 57,815	\$ 59,273	\$ 60,305	\$ 50,032	\$ 84,509	\$ 52,462	\$ 46,241	\$ 310,214	\$ 243,720
Restricted	1,355,000	1,509,426	1,873,333	1,918,218	1,980,588	2,267,250	2,120,000	2,500,000	2,596,710	2,561,588
Committed	2,987,919	3,520,375	3,602,876	3,997,586	4,278,232	4,984,819	8,205,000	8,734,000	8,871,813	8,584,211
Assigned	696,385	440,119	439,759	459,301	547,648	579,878	496,722	609,904	7,362,909	6,162,909
Unassigned	2,509,889	2,858,934	2,381,504	1,659,461	4,013,331	9,756,860	12,859,744	16,698,050	7,120,827	6,413,303
Total General Fund	<u>7,607,742</u>	<u>8,386,669</u>	<u>8,356,745</u>	<u>8,094,871</u>	<u>10,869,831</u>	<u>17,673,316</u>	<u>23,733,928</u>	<u>28,588,195</u>	<u>26,262,473</u>	<u>23,965,731</u>
All Other Governmental Funds										
Nonspendable	28,720	19,374	20,122	24,621	27,419	24,737	55,560	134,633	85,698	27,851
Restricted	9,576,262	12,578,056	10,767,071	11,096,856	13,323,733	128,356,293	114,001,794	89,807,981	55,445,386	176,601,178
Committed	900,000			490,210	969,651	3,314,488	9,670,055	9,359,279	10,361,910	4,385,698
Assigned	466,386	211,735	1,431,227							
Unassigned				4,763						
Total all other governmental funds	<u>10,971,368</u>	<u>12,809,165</u>	<u>12,218,420</u>	<u>11,616,450</u>	<u>14,320,803</u>	<u>131,695,518</u>	<u>123,727,409</u>	<u>99,301,893</u>	<u>65,892,994</u>	<u>181,014,727</u>
Total Governmental Funds	<u>\$ 18,579,110</u>	<u>\$ 21,195,834</u>	<u>\$ 20,575,165</u>	<u>\$ 19,711,321</u>	<u>\$ 25,190,634</u>	<u>\$ 149,368,834</u>	<u>\$ 147,461,337</u>	<u>\$ 127,890,088</u>	<u>\$ 92,155,467</u>	<u>\$ 204,980,458</u>

Source: District Records (Balance Sheet - Governmental Funds)

DURANGO SCHOOL DISTRICT 9-R  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Taxes	\$ 28,884,317	\$ 28,429,184	\$ 29,568,039	\$ 31,252,152	\$ 32,303,823	\$ 33,719,164	\$ 35,656,545	\$ 38,108,451	\$ 43,772,736	\$ 51,787,817
Intergovernmental:										
Federal	1,716,580	2,019,784	3,045,215	3,323,075	3,248,206	6,619,315	6,113,463	7,541,463	7,326,117	5,550,326
State	22,031,148	26,616,137	31,300,618	35,883,802	39,792,945	48,119,071	42,150,284	45,821,676	45,006,313	40,489,413
County or Intermediate	562,188	392,528	352,848	303,998	212,201	701,454	199,894	358,688	501,409	276,750
Local	2,178,089	2,314,678	2,229,948	2,927,238	2,186,636	1,467,107	1,441,971	7,943,872	4,428,101	9,703,862
Interest	46,438	133,426	279,060	450,653	343,091	64,906				
Miscellaneous	233,821	322,409	4,368							
<b>Total Revenues</b>	<b>55,652,581</b>	<b>60,228,146</b>	<b>66,780,096</b>	<b>74,140,918</b>	<b>78,086,902</b>	<b>90,691,017</b>	<b>85,562,157</b>	<b>99,774,150</b>	<b>101,034,676</b>	<b>107,808,168</b>
<b>EXPENDITURES</b>										
Current:										
Instructional	25,143,058	27,743,959	33,713,329	38,311,010	39,155,854	48,284,515	42,381,348	47,262,341	51,843,085	45,594,246
Supporting Services	19,422,601	20,813,504	24,088,930	26,557,313	26,729,271	24,125,069	28,147,575	35,172,907	39,731,179	43,756,744
Capital Outlay	1,997,516	3,060,102	1,953,229	863,065	518,898	1,560,387	12,111,431	26,077,807	44,129,782	38,924,482
Debt Service:										
Principal	5,495,000	5,750,000	7,519,238	7,075,977	5,226,123	4,666,515	4,777,896	5,785,000	5,954,999	3,715,000
Interest	2,035,170	1,872,944	291,613	1,460,229	1,185,831	2,081,313	4,792,640	4,511,350	4,231,388	4,003,176
Other	366,994	514,455	212,074	33,579	71,449	2,000	19,725	535,994	511,737	1,763,773
<b>Total Expenses</b>	<b>54,460,339</b>	<b>59,754,964</b>	<b>67,778,413</b>	<b>74,301,173</b>	<b>72,887,426</b>	<b>80,719,799</b>	<b>92,230,615</b>	<b>119,345,399</b>	<b>146,402,170</b>	<b>137,757,421</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,192,242	473,182	(998,316)	(160,256)	5,199,476	9,971,218	(6,668,458)	(19,571,249)	(45,367,494)	(29,949,253)
Other Financing Sources (Uses)										
Sale of Fixed Assets or Land	142,342						4,760,958		2,999,203	
Proceeds of the State										
Loan Program						3,427,853				
Payments to the State										
Loan Program						(3,427,853)				
Bonds Issued	5,608,890					90,000,000				139,674,244
Bond Refunding	(5,794,425)									
Premium on Bond Issued	289,929					24,206,987				
Lease Proceeds	1,900,000								7,237,475	
Prior Period Adjustment										3,100,000
Transfers/ Allocation In	1,657,874	3,550,000	2,296,011	2,674,078	3,025,000	3,210,000	3,575,000		3,700,000	2,700,000
Transfers/ Allocation Out	(1,708,374)	(3,835,000)	(2,376,011)	(2,674,078)	(3,025,000)	(3,210,000)	(3,575,000)		(3,700,000)	(2,700,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,096,236</b>	<b>(285,000)</b>	<b>(80,000)</b>			<b>114,206,987</b>	<b>4,760,958</b>		<b>10,236,678</b>	<b>142,774,244</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,288,478</b>	<b>\$ 188,182</b>	<b>\$ (1,078,316)</b>	<b>\$ (160,256)</b>	<b>\$ 5,199,476</b>	<b>\$ 124,178,205</b>	<b>\$ (1,907,500)</b>	<b>\$ (19,571,249)</b>	<b>\$ (35,130,816)</b>	<b>\$ 112,824,991</b>
Debt Service as a Percentage of Noncapital Expenditures	13.83%	12.76%	11.52%	11.49%	8.80%	8.36%	11.12%	10.82%	9.81%	5.48%

Source: District Records (Statement of Revenues, Expenditures, and Changes in Net Assets - Governmental Funds)

Capital Outlay-Capitalized \$ 6,131,879    \$ 24,195,696    \$ 42,559,992    \$ 64,731,394

DURANGO SCHOOL DISTRICT 9-R  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Assessment Year	Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial, Agricultural & Natural Resources	Oil & Gas	State Assessed, Vacant Land & Other	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Residential Assessment Rate	Oil & Gas Assessment Rate	All Others Assessment Rate
2015	2016	509,495,590	331,701,950	36,325,300	443,997,090	168,696,490	1,490,216,420	17.876	9,156,871,230	16.27%	7.96%	87.50%	29.00%
2016	2017	518,261,530	338,626,890	37,755,580	263,427,240	168,565,300	1,326,636,540	19.874	9,031,667,280	14.69%	7.96%	87.50%	29.00%
2017	2018	632,017,000	405,146,000	48,343,640	454,298,000	222,974,000	1,762,779,000	19.874	11,629,844,000	15.16%	7.96%	87.50%	29.00%
2018	2019	643,865,740	407,494,020	51,320,520	517,221,900	212,671,430	1,832,574,000	20.281	11,849,159,000	15.47%	7.96%	87.50%	29.00%
2019	2020	698,220,170	432,163,690	52,039,920	467,800,480	217,555,190	1,867,779,450	21.129	10,694,308,150	17.47%	7.15%	87.50%	29.00%
2020	2021	709,755,000	434,685,000	53,141,000	365,312,000	216,280,150	1,779,172,000	22.787	10,679,613,890	16.66%	7.15%	87.50%	29.00%
2021	2022	755,032,430	421,132,120	52,169,510	281,085,850	210,122,560	1,719,542,470	24.025	13,237,770,235	12.99%	7.15%	87.50%	29.00%
2022	2023	743,282,590	421,844,370	50,489,720	438,693,440	223,106,670	1,877,416,790	24.975	13,594,149,043	13.81%	6.95%	87.50%	29.00%
2023	2024	935,457,260	456,235,620	52,674,060	578,508,070	248,117,340	2,270,992,350	24.585	17,394,716,552	13.06%	6.70%	87.50%	27.90%
2024	2025	737,775,870	418,445,440	44,542,310	195,072,460	201,402,640	1,597,238,720	31.587	13,854,067,500	11.53%	7.05%	87.50%	27.00%

Source: La Plata County Assessor's Office (Selected Authority Abstract)

DURANGO SCHOOL DISTRICT 9-R  
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS

Assessment Year	Fiscal Year	Durango School District 9-R				City of	La Plata	Special	Total Direct & Overlapping Rates (1)	
		General Fund Millage	Bond Levy Millage	Override Levy Millage	ADA/Asbestos Abatement	Total District Millage	Total City Millage	Total County Millage		Total Special District Millage
2015	2016	6.601	5.73	5.517	0.028	17.876	2.507	8.500	2.052	30.935
2016	2017	6.601	5.755	7.501	0.017	19.874	2.507	8.500	2.057	32.94
2017	2018	6.601	5.776	7.846	0.058	20.281	2.507	8.500	2.351	33.64
2018	2019	6.601	5.776	8.636	0.062	20.281	5.007	8.500	2.370	36.16
2019	2020	6.601	5.776	8.692	0.060	21.129	5.007	8.500	2.370	37.01
2020	2021	6.601	5.776	10.318	0.092	22.787	5.007	8.500	2.472	38.77
2021	2022	7.601	5.776	10.559	0.089	24.025	5.007	8.500	2.930	40.46
2022	2023	8.601	5.776	10.428	0.170	24.975	5.007	8.500	2.790	41.27
2023	2024	9.601	5.776	9.182	0.026	24.585	5.007	8.500	2.823	40.92
2024	2025	10.601	10.789	10.114	0.083	31.587	5.007	8.500	2.975	48.07

Notes: (1) Overlapping rates are those of local and county governments that apply to property owners within Durango School District 9-R. Not all overlapping rates apply to all District property owners.

Sources: Durango School District 9-R Mill Levy Resolution  
 La Plata County Assessor Office

DURANGO SCHOOL DISTRICT 9-R  
PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT FISCAL YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2024			2015		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed
Simcoe LLC	Energy	\$ 118,501,340	1	5.76%			
Hilcorp San Juan LP	Energy	85,555,830	2	4.16%			
Catamount Energy Partners LLC	Energy	39,111,100	3	1.90%			
Harvest Four Corners, LLC	Energy	37,364,430	4	1.81%			
Red Willow Production Co.	Energy	33,430,360	5	1.62%			
Enduring resources LLC	Energy	24,513,360	6	1.19%	\$ 24,908,800	8	1.24%
La Plata Electric Association Inc	Utility	24,146,700	7	1.17%			
Red Cedar	Energy	22,306,450	8	1.08%	17,345,600	10	0.86%
Arkoma Operations, LLC	Energy	16,639,800	9	0.81%	29,298,580	7	1.46%
Glacier Property Associates, LLC	Real Estate	7,906,420	10	0.38%			
BP America Production Co.	Energy				492,445,260	1	24.55%
Samson Resources Company	Energy				121,172,800	2	6.04%
Williams Gas Processing	Energy				63,040,960	3	3.14%
XTO Energy Company	Energy				45,217,140	4	2.25%
Conoco Phillips Company	Energy				36,454,200	5	1.82%
Burlington Resources Oil & Gas	Energy				33,906,680	6	1.69%
Four Star Oil	Energy				17,622,950	9	0.88%
Totals		<u>\$ 409,475,790</u>		<u>19.89%</u>	<u>\$ 881,412,970</u>		<u>43.93%</u>
Total Assessed Valuation		\$ 2,059,038,100		100.00%	\$ 2,006,291,720		100.00%

Source: La Plata County Assessor's Office CAFR - Top Taxpayers

DURANGO SCHOOL DISTRICT 9-R  
PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN CALENDAR YEARS  
 (Unaudited)

Assessment Year	Collection Year	Current Tax Levy (4)	Current Tax Collections (3)	Percent of Current Taxes Collected	Delinquent Tax Collections (1)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy (5)
2015	2016	26,639,109	26,385,177	99.05%	3,460	26,388,637	99.06%
2016	2017	26,366,052	25,964,047	98.48%	5,370	25,969,417	98.50%
2017	2018	26,809,537	26,238,343	97.87%	4,238	26,242,581	97.89%
2018	2019	28,428,835	27,017,345	95.04%	4,985	27,022,330	95.05%
2019	2020	28,428,689	27,487,667	96.69%	4,985	27,492,652	96.71%
2020	2021	30,995,389	30,316,157	97.81%	6,785	30,322,942	97.83%
2021	2022	32,379,009	31,812,728	98.25%	39,317	31,852,045	98.37%
2022	2023	35,252,859	34,569,413	98.06%	6,784	34,576,197	98.08%
2023	2024	40,698,298	38,138,646	93.71%	11,890	38,150,536	93.74%
2024	2025	50,353,915	49,257,643	97.82%	34,635	49,292,278	97.89%

Notes:

1. Includes delinquent tax collections collected in current year not reported by county by assessment year.
2. Source: La Plata County Assessor's Office.
3. Taxes collected are from January 1 to August 31.
4. Current tax levy per Durango School District 9-R Mill Levy Resolution.
5. Because taxes are reported in the fiscal year received instead of assessment year this percentage may exceed 100%.

DURANGO SCHOOL DISTRICT 9-R  
LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Assessed Value	Debt Limit (1)	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2016	1,490,216,420	298,043,284	46,620,000	251,423,284	15.64%
2017	1,326,636,540	265,327,308	40,870,000	224,457,308	15.40%
2018	1,762,779,000	352,555,800	35,005,000	317,550,800	9.93%
2019	1,832,574,000	366,514,800	28,355,000	338,159,800	7.74%
2020	1,832,573,610	366,514,722	23,565,000	342,949,722	6.43%
2021	1,779,099,310	355,819,862	109,495,000	246,324,862	30.77%
2022	1,353,354,610	270,670,922	105,275,000	165,395,922	38.89%
2023	1,877,416,790	375,483,358	99,490,000	275,993,358	26.50%
2024	2,270,992,350	454,198,470	93,535,000	360,663,470	20.59%
2025	1,597,238,720	319,447,744	219,820,000	99,627,744	68.81%

(1) Debt limit represents 20% of the assessed valuation of the District. The relevant property taxes collected by the District based on assessed valuation.

Source: La Plata County Assessor's Office (Amended Certification of Values)  
 School District 9-R debt service schedules

DURANGO SCHOOL DISTRICT 9-R  
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE  
AND BONDED DEBT PER CAPITA

LAST TEN CALENDAR YEARS  
(Unaudited)

Fiscal Year Ended June 30	Total Actual Taxable Value	General Bonded Debt	Less: Amounts Available in Debt Service Fund (1)	Total	Percentage of Estimated Actual Taxable Value of Property	County Population	Bonded Debt per Capita
2016	9,156,871,230	46,620,000	10,460,541	36,159,459	0.4%	55,454	841
2017	9,031,667,280	40,870,000	10,486,381	30,383,619	0.3%	55,623	735
2018	11,629,844,000	35,005,000	10,728,481	24,276,519	0.2%	55,589	630
2019	11,849,159,000	28,355,000	10,600,993	17,754,007	0.1%	56,310	504
2020	10,694,308,150	23,565,000	12,781,070	10,783,930	0.1%	56,221	419
2021	10,679,613,890	109,495,000	14,998,511	94,496,489	0.9%	56,065	1,953
2022	13,237,770,235	105,275,000	13,847,256	91,427,744	0.7%	56,250	1,872
2023	13,594,149,043	99,490,000	12,075,323	87,414,677	0.6%	56,607	1,758
2024	17,394,716,552	93,535,000	11,440,512	82,094,488	0.5%	56,607	1,652
2025	13,854,067,500	219,820,000	21,759,601	198,060,399	1.4%	56,407	3,897

Source: La Plata County Assessor's Office.  
Durango School District 9-R debt service schedule  
US Census Bureau  
(1) This is the amount restricted for debt service payments.  
2016 County Population figures are estimates

DURANGO SCHOOL DISTRICT 9-R  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Annual Debt Service Expenditures for General Bonded Debt</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures</u>
2016	7,632,924	40,270,137	19.0%
2017	7,624,744	44,238,996	17.2%
2018	7,519,238	50,513,474	14.9%
2019	8,062,213	56,446,908	14.3%
2020	6,483,403	57,067,649	11.4%
2021	6,749,827	62,947,454	10.7%
2022	9,590,261	60,134,735	15.9%
2023	10,832,344	67,127,556	16.1%
2024	10,186,887	75,266,438	13.5%
2025	7,718,176	73,902,066	10.4%

Source: Durango School District 9-R debt service schedule and General Fund Schedule of Revenues, Expenditures, and Changes in Net Position

DURANGO SCHOOL DISTRICT 9-R  
RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			County Population	Per Capita	Percentage of Personal Income (1)
	General Obligation Bonds	Financed Purchase Agreement	Outstanding Debt			
2016	46,620,000	4,364,093	50,984,093	55,454	919	1.83%
2017	40,870,000	3,970,063	44,840,063	55,623	806	1.53%
2018	35,005,000	3,557,841	38,562,841	55,589	694	1.31%
2019	28,355,000	3,131,864	31,486,864	56,310	559	1.00%
2020	23,565,000	2,695,741	26,260,741	56,221	467	0.80%
2021	109,495,000	2,249,229	111,744,229	56,065	1,993	3.86%
2022	105,275,000	1,691,250	106,966,250	56,250	1,902	2.84%
2023	99,490,000	1,251,281	100,741,281	56,607	1,780	2.59%
2024	93,535,000	8,038,083	101,573,083	56,607	1,794	2.56%
2025	219,820,000	7,335,968	227,155,968	56,407	4,027	5.26%

Note: The District has similar, but not the same boundaries as La Plata County.

(1) Per capita income is reported on Table 14.

Source: Colorado Division of Local Governments  
 La Plata County Assessor's Office  
 Durango School District 9-R debt service schedule

DURANGO SCHOOL DISTRICT 9-R

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2025  
(Unaudited)

	2024 Assessed Valuation	Entity's General Debt	Percentage Applicable to the District	Amount of Outstanding Debt Applicable to the District
<b>Direct Debt:</b>				
General Obligation Debt	\$2,059,038,100	\$ 219,820,000	100.00%	\$ 219,820,000
Financed Purchase Agreements		7,335,968	100.00%	7,335,968
<b>Overlapping Debt:</b>				
Edgemont Ranch Metropolitan District	45,116,960	7,104,652	100.00%	7,104,652
Elevation Park Metro District	1,460,830	4,091,002	100.00%	4,091,002
La Plata County Palo Verde Improvement	1,365,510	152,369	100.00%	152,369
Tamarron Metropolitan District	25,900,150	23,127,000	100.00%	23,127,000
Three Springs Metro. District 1	23,200,310	25,750,000	100.00%	25,750,000
Twin Buttes Metro. District 2	8,445,620	8,308,185	100.00%	8,308,185
Upper Pine River Fire Protection District	264,410,690	456,746	11.18%	51,064
Ute Pass Water District	6,147,060	272,565	100%	272,565
Total Overlapping Debt				<u>68,856,837</u>
Total Direct General Obligation and Overlapping Debt				<u>\$ 296,012,805</u>
Debt Ratio				10.68%
Debt Ratio with Over-lapping Debt				14.02%

Note: The percentage of overlapping debt is based on the percentage of the entities assessed value that is included in the assessed value of the District.

Source: Durango School District 9-R records  
Other district records  
Assessors' Offices of La Plata and Archuleta Counties and individual taxing entities

DURANGO SCHOOL DISTRICT 9-R  
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	County Population	P/Y	P/Y	P/Y	P/Y	Government- wide Governmental Activities Expenses	Cost per Student
		Unemployment Rate	Per Capita Income	Certified Funded Pupil Count	School Enrollment		
2016	55,454	5.5%	50,206	4,411.7	4,818	53,950,432	11,199
2017	55,623	2.4%	52,588	4,812.5	5,183	82,606,771	15,938
2018	55,589	2.6%	52,759	4,976.6	5,251	102,115,797	19,447
2019	56,310	3.1%	55,807	4,958.3	5,540	61,956,459	11,183
2020	56,221	2.5%	58,216	4,473.0	5,634	56,970,452	10,112
2021	56,065	7.5%	51,678	6,775.5	6,997	55,880,883	7,986
2022	56,250	5.2%	66,944	4,449.7	5,584	56,825,152	10,177
2023	56,607	3.0%	68,794	4,215.5	5,342	87,851,499	16,447
2024	56,607	3.0%	70,032	5,108.0	5,282	104,230,288	19,733
2025	56,407	4.1%	76,558	4,255.0	4,232	110,228,882	26,047

Source: Colorado Division of Local Governments  
 La Plata County records  
 Durango School District 9-R enrollment records and Statement of Activities  
 Per Capita Income for 2024 unavailable. Estimates based on 1.8% annual growth

**DURANGO SCHOOL DISTRICT 9-R**  
**PRINCIPAL EMPLOYERS FOR LA PLATA COUNTY**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2024		2015	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Southern Ute Indian Tribe	1,600	4.51%	1,245	3.80%
Durango School District 9-R	998	2.81%	632	1.93%
Mercy Regional Medical Center	901	2.54%	1,200	3.66%
Purgatory Recreation Management LLC	850	2.39%	479	1.46%
Fort Lewis College	683	1.92%	570	1.74%
La Plata County	445	1.25%	401	1.22%
Walmart	437	1.23%	N/A	
City of Durango	354	1.00%	N/A	
Bayfield School District	216	0.61%	N/A	
Rocky Mountain Chocolate Factory	200	0.56%	N/A	
Mercury Payments (Later Vantiv)	N/A		630	1.92%
Crossfire	N/A		322	0.98%
BP American	N/A		221	0.67%
Total	<u>6,684</u>	<u>18.83%</u>	<u>5,700</u>	<u>17.39%</u>
Total La Plata County Employment	<u>35,502</u>	<u>100%</u>	<u>32,783</u>	<u>100%</u>

Source: Region 9-Economic Development District of SW Colorado, La Plata County and City of Durango CAFR

Notes: Employer data is not available at the municipal level. Data presented is for La Plata County.

The most recent data available is provided in the schedule.

DURANGO SCHOOL DISTRICT 9-R  
CAPITAL ASSETS BY FUNCTION  
 LAST TEN YEARS

Function:	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction	141,700,844	140,880,916	140,847,600	141,671,320	142,756,855	149,544,061	148,060,190	145,823,042	220,261,868	228,770,788
Pupil Activities	2,581,405	6,212,754	6,211,285	6,247,610	6,247,610	5,862,433	5,145,547	5,008,006	3,797,454	4,270,958
General Administration	1,238,150	1,270,690	1,270,390	1,277,819	1,277,819	1,042,814	42,200	32,995	32,994	1,484,154
School Administration	348,674	348,674	348,592	350,630	350,630	28,534	42,165	26,447	26,447	33,946
Business Services	203,848	235,247	235,191	236,567	236,567	264,889	44,632	136,999	136,998	126,044
Maintenance & Operations	1,623,049	1,911,657	1,911,205	1,922,382	1,922,382	4,349,894	5,754,063	1,900,293	1,951,845	3,374,754
Transportation	4,692,120	4,748,110	4,746,987	4,774,749	5,317,246	4,298,401	4,928,278	5,048,915	5,666,045	7,017,587
Central Services	909,292	909,292	909,077	914,394	914,394	1,269,343		1,277,177	1,479,389	1,514,876
Food Services	282,133	422,673	422,573	425,044	425,044	275,709	269,116	310,663	333,193	463,826
<b>Totals</b>	<b>\$ 153,579,514</b>	<b>\$ 156,940,013</b>	<b>\$ 157,857,847</b>	<b>\$ 157,820,516</b>	<b>\$ 159,448,548</b>	<b>\$ 166,936,078</b>	<b>\$164,286,192</b>	<b>\$159,564,537</b>	<b>\$233,686,233</b>	<b>\$247,056,932</b>

Source: Durango School District 9-R capital asset records.

DURANGO SCHOOL DISTRICT 9-R

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUND AND EMPLOYEE TYPE

LAST TEN YEARS

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>Administrators</b>										
General Fund	41.0	39.8	41.0	48.0	45.0	45.0	46.0	40.3	44.4	43.2
Governmental Designated Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	4.1	2.8
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Kids Camp	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.0	0.0	0.0
	<u>43.0</u>	<u>41.8</u>	<u>43.0</u>	<u>50.0</u>	<u>47.0</u>	<u>47.0</u>	<u>47.5</u>	<u>44.5</u>	<u>49.5</u>	<u>47.0</u>
<b>Non-Teaching Professionals</b>										
General Fund	231.5	264.9	194.6	301.6	271.0	258.8	210.0	250.1	254.3	249.3
Governmental Designated Grant	5.4	1.3	15.0	15.0	15.0	30.5	28.0	39.6	41.3	35.8
Food Service	18.1	21.0	23.2	30.5	27.3	22.0	26.0	23.6	25.0	23.5
Kids Camp	9.2	9.9	15.2	10.3	6.0	10.4	0.0	0.0	0.0	0.0
	<u>264.2</u>	<u>297.1</u>	<u>248.0</u>	<u>357.4</u>	<u>319.3</u>	<u>321.6</u>	<u>264.0</u>	<u>313.3</u>	<u>320.6</u>	<u>308.6</u>
<b>Teachers</b>										
General Fund	288.3	317.1	387.0	389.0	348.0	324.8	359.0	294.3	329.9	328.6
Governmental Designated Grant	9.8	3.7	16.0	16.0	16.0	11.1	10.0	12.5	14.5	17.4
	<u>298.1</u>	<u>320.8</u>	<u>403.0</u>	<u>405.0</u>	<u>364.0</u>	<u>335.9</u>	<u>369.0</u>	<u>306.8</u>	<u>344.4</u>	<u>346.0</u>
<b>Total - All Funds</b>										
General Fund	560.8	621.8	622.6	738.6	664.0	628.5	615.0	584.7	628.6	621.1
Food Service	19.1	22.0	24.2	31.5	28.3	23.0	27.0	24.6	26.0	24.5
Governmental Designated Grant	15.2	5.0	31.0	31.0	31.0	41.6	38.0	55.3	59.9	56.0
Kids Camp	10.2	10.9	16.2	11.3	7.0	11.4	0.5	0.0	0.0	0.0
	<u>605.3</u>	<u>659.7</u>	<u>694.0</u>	<u>812.4</u>	<u>730.3</u>	<u>704.5</u>	<u>680.5</u>	<u>664.6</u>	<u>714.5</u>	<u>701.7</u>

Source: Durango School District 9-R human resource and payroll records.

DURANGO SCHOOL DISTRICT 9-R  
NUTRITION SERVICES - FACTS AND FIGURES  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
October 1 pupil count	4,412	4,813	4,977	4,958	4,473	6,776	4,450	4,216	5,108	4,531
October 1 count of benefits										
Students on free lunch	1,173	1,414	1,207	1,123	1,511	1,878	1,156	1,407	2,006	1,531
Student on reduced lunch	324	327	369	288	356	242	123	237	85	130
Percentage of students on:										
Free lunch	26.59%	29.38%	24.25%	22.65%	33.78%	27.72%	25.98%	33.37%	39.27%	33.79%
Reduced lunch	7.34%	6.79%	7.41%	5.81%	7.96%	3.57%	2.76%	5.62%	1.66%	2.87%
Total	33.93%	36.17%	31.67%	28.46%	41.74%	31.29%	28.74%	38.99%	40.94%	36.66%

Source: Durango School District 9-R records, CDE October Count - District Summary of Pupil Counts

DURANGO SCHOOL DISTRICT 9-R  
MISCELLANEOUS STATISTICAL DATA

June 30, 2025  
(Unaudited)

- Year of organization:	1956	<u>Enrollment and Funded Pupil Count</u>		
- Geographical area:	1039 square miles			Funded
- Accreditation:	Colorado Department of Education	<u>School Year</u>	<u>Enrollment</u>	<u>Pupil Count</u>
Number of Schools		2014-2015	4,723	4,354
Elementary	8	2015-2016	4,818	4,412
Middle	2	2016-2017	5,183	4,813
High	2	2017-2018	5,251	4,977
		2018-2019	5,540	4,958
Totals	<u><u>12</u></u>	2019-2020	5,634	4,473
		2020-2021	6,997	6,776
		2021-2022	5,584	4,450
		2022-2023	5,342	4,216
		2023-2024	5,282	5,108
		2024-2025	4,232	4,255

<u>Summary of Teachers by Education Level</u>		
<u>Education Level</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor of Arts	40.00	13.03%
Bachelor of Arts + 15	12.00	3.91%
Bachelor of Arts + 30	16.00	5.21%
Bachelor of Arts + 45	50.00	16.29%
Master's Degree	93.00	30.29%
Master's Degree + 15	15.00	4.89%
Master's Degree + 30	31.00	10.10%
Master's Degree + 45	20.00	6.51%
Master's Degree + 60	30.00	9.77%
	<u><u>307.00</u></u>	<u><u>100.00%</u></u>

<u>Teacher/Student Ratio</u>			
<u>School Year</u>	<u>Enrollment</u>	<u>Number of Teachers</u>	<u>Ratio</u>
2015-2016	5,183	298	17.39
2016-2017	5,251	321	16.37
2017-2018	5,540	403	13.75
2018-2019	5,634	405	13.91
2019-2020	6,997	364	19.22
2020-2021	5,584	336	17.82
2021-2022	5,342	369	14.48
2022-2023	5,342	307	17.41
2023-2024	5,282	344	15.35
2024/2025	4,232	346	12.23

School Building Information

<u>School</u>	<u>Total Sq. Feet</u>	<u>Total Class Rooms</u>	<u>Year Built</u>	<u>Student Capacity</u>	<u>Percentage of Capacity Used</u>
<b><u>Elementary</u></b>					
Florida Mesa	61,000	25	1959	445	66%
Animas Valley	60,000	26	1994	438	42%
Fort Lewis Mesa	53,000	20	1961	376	31%
Needham	70,815	30	1955	536	68%
Park	65,500	30	1956	478	95%
Riverview	69,700	29	2004	526	71%
Sunnyside	53,500	24	1962	379	28%
<b><u>Middle</u></b>					
Miller	86,149	32	2024	730	49%
Escalante	110,800	38	1994	744	62%
<b><u>High</u></b>					
Durango High & Impact	256,219	130	1976	1716	79%

Note: \* information not available

Source: Colorado Department of Education  
Durango School District 9-R records

***DURANGO SCHOOL DISTRICT 9-R***

***SINGLE AUDIT SECTION***

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2025**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures (\$)</i>
<b><i>Child Nutrition Cluster</i></b>			
U.S. Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 4553	\$ 292,572
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	115,317
National School Lunch Program	10.555	Colorado Department of Education, 4555	983,868
Summer Food Service Program for Children	10.559	Colorado Department of Education, 4559	13,557
Fresh Fruit and Vegetable Program	10.582	Colorado Department of Education, 4582	<u>49,142</u>
<b><i>Total Child Nutrition Cluster</i></b>			<b>1,454,456</b>
 <b><i>Forest Service Schools and Roads Cluster</i></b>			
U.S. Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and La Plata County Treasurer, 7665	<u>113,974</u>
<b><i>Total Forest Service Schools and Roads Cluster</i></b>			<b>113,974</b>
 <b><i>Special Education Cluster (IDEA)</i></b>			
U.S. Department of Education			
Special Education Grants to States	84.027	Colorado Department of Education, 4027/8027	1,122,526
Special Education Preschool Grants	84.173	Colorado Department of Education, 4173	<u>25,453</u>
<b><i>Total Special Education Cluster (IDEA)</i></b>			<b><u>1,147,979</u></b>
<b><i>Total All Clusters</i></b>			<b><u>2,716,409</u></b>
 <b><i>Other Programs</i></b>			
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010/5010	1,269,806
Career and Technical Education -- Basic Grants to States	84.048	Colorado Community College System, 4048	36,142

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2025**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures (\$)</i>
Indian Education Grants to Local Educational Agencies	84.060	Colorado Department of Education, 4060	77,350
Special Education- State Personnel Development	84.323	Colorado Department of Education, 5323	17,790
English Language Acquisition State Grants	84.365	Colorado Department of Education, 4365	51,858
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	159,634
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4424	37,852
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Education, 7354	12,000
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4414/4418	<u>727,275</u>
<b><i>Total Other Programs</i></b>			<u>2,389,707</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>\$ 5,106,116</u></u>

**DURANGO SCHOOL DISTRICT 9-R**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Durango School District 9-R under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Durango School District 9-R, it is not intended to and does not present the financial position or changes in net position of Durango School District 9-R.

**NOTE 3 FOOD DISTRIBUTION**

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

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



**Wall,  
Smith,  
Bateman Inc.**

To the Board of Education  
Durango School District 9-R  
Durango, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Durango School District 9-R (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 01, 2025.

### **Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

**Certified Public Accountants**

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | [www.wsbcpa.com](http://www.wsbcpa.com)

**Purpose of This Report**

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

December 01, 2025

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



**Wall,  
Smith,  
Bateman Inc.**

To the Board of Education  
Durango School District 9-R  
Durango, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Durango School District 9-R's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from

**Certified Public Accountants**

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

December 01, 2025

**DURANGO SCHOOL DISTRICT 9-R**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2025**

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_yes        X   none reported

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

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

Identification of major programs:

<u>Assistance Listing Number (ALN)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as a low-risk auditee?   X   yes      \_\_\_\_\_no

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**Section IV – Summary Schedule of Prior Audit Findings**

None

***DURANGO SCHOOL DISTRICT 9-R***

***CDE COMPLIANCE SECTION***



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1520 - Durango 9-R  
 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	26,262,474	71,914,426	74,211,169	23,965,731
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>26,262,474</b>	<b>71,914,426</b>	<b>74,211,169</b>	<b>23,965,731</b>
11 Charter School Fund	367,275	2,770,796	2,490,885	647,185
20,26-29 Special Revenue Fund	459,530	629,004	603,573	484,961
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	1,110,344	2,332,278	2,736,821	705,801
22 Govt Designated-Purpose Grants Fund	31,783	8,683,455	8,683,455	31,783
23 Pupil Activity Special Revenue Fund	357,854	1,535,976	1,804,754	89,076
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	11,440,512	18,037,265	7,718,175	21,759,602
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	42,906,461	145,851,837	35,109,973	153,648,325
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	9,586,506	1,598,171	6,889,494	4,295,183
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>92,522,740</b>	<b>253,353,208</b>	<b>140,248,299</b>	<b>205,627,649</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	2,988,907	256,551	263,098	2,982,360
<b>Totals</b>	<b>2,988,907</b>	<b>256,551</b>	<b>263,098</b>	<b>2,982,360</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL