

**PLATTE CANYON SCHOOL DISTRICT 1
BAILEY, COLORADO**

BASIC FINANCIAL STATEMENTS

June 30, 2025

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Education
Platte Canyon School District 1
Bailey, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 49-58 be presented to supplement the basic financial statements. Such information, 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 combining and individual fund statements and schedules and the Auditor's Integrity Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Auditor's Integrity Report are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 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 the District's internal control over financial reporting and compliance.

PB Solutions LLC

Littleton, Colorado
December 17, 2025

Platte Canyon School District RE 1

Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The liabilities and deferred inflows of the District exceeded its assets and deferred outflows as of June 30, 2025, by \$10,447,546 (net position). Any negative net position (not applicable for FY25) is due to GASB Statement No. 68 and 75 on pension disclosures which reflects the District's proportionate share of the pension plan's unfunded pension liability. It is important to note that the District does not have to pay the amount shown as the District's net pension liability.
- The District's net position improved by \$5,363,427 from FY2024.
- The District's General Fund had an ending fund balance of \$5,366,278 or 45% of total General Fund Expenditures.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets and deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the District. Evaluation of the overall economic health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's capital assets in addition to the financial information provided in this report.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event affecting the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and changes in long-term compensated absences). An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities on revenues provided by the District's taxpayers.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services, food services, and student activities. Such services include activities relating to building maintenance, technology, and administration.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes. Our District uses fund accounting to ensure and demonstrate compliance with state and federal financial policies and procedures with regard to government, proprietary, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 the governmental fund and governmental activities.

The District maintains seven funds. The District's most significant, or "major" governmental funds include the General Fund, Food Services Fund, Designated Grants Fund, Bond Redemption Fund, and Capital Building Fund. The additional two funds (Student Activities Fund and Swimming Pool Fund) are combined into a single, aggregated presentation. Information for these non-major funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The basic major governmental fund statements start on page 3.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data essential to a full understanding of the government-wide and fund financial statements. The notes on the statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's adopted budget and audited actual numbers for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As previously noted, net position may serve, over time, as a useful indicator of the District's financial position.

The assets of the District are classified as current assets and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax receivables and cash and investments.

Capital assets are made up of land, buildings, equipment, and construction in progress. Current and long-term liabilities are classified based upon when resources will be required to fulfill the obligation.

Platte Canyon School District No.1 Net Position

Of the District's total assets, 38% are capital assets (e.g. land, buildings, and equipment). This large year-over-year change in percentage is due to the restricted cash and investments held by the District associated with the November 2023 Bond question and subsequent Bond issuance in January of 2024. The District uses assets to provide instruction and related services to its students. Although the District's investment in capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	
	<u>6/30/2025</u>	<u>6/30/2024</u>
Cash and Investments	\$ 8,240,097	\$ 6,405,331
Restricted Cash and Investments	3,804,468	16,475,019
Other Assets	1,496,649	720,769
Capital Assets, Net	29,252,404	14,732,579
Total Assets	<u>42,793,618</u>	<u>38,333,698</u>
Deferred Outflow of Resources	<u>4,240,096</u>	<u>5,514,194</u>
Current Liabilities	2,766,063	2,184,025
Accrued Interest	60,011	61,203
Noncurrent Liabilities	31,669,058	35,387,982
Total Liabilities	<u>34,495,132</u>	<u>37,633,210</u>
Deferred Inflow of Resources	<u>2,091,036</u>	<u>1,133,414</u>
Net Position		
Net Investment in Capital Assets	12,665,350	(2,294,513)
Restricted	4,896,541	443,542
Unrestricted	<u>(7,114,345)</u>	<u>6,932,239</u>
Total Net Position	<u>\$ 10,447,546</u>	<u>\$ 5,081,268</u>

Net position for governmental activities improved by \$5,366,278. The following schedule summarizes the District's change in net position:

Platte Canyon School District No.1 Statement of Activities

	Governmental Activities	
	<u>6/30/2025</u>	<u>6/30/2024</u>
Program Revenue:		
Charges for Services	\$ 301,844	\$ 274,109
Operating Grants and Contributions	2,679,200	2,788,132
Capital Grants and Contributions	3,072,559	-
Total Program Revenue	<u>6,053,603</u>	<u>3,062,241</u>
General Revenue:		
Local Property Taxes	6,865,048	6,603,163
Specific Ownership Taxes	619,792	566,686
State Equalization	3,792,812	3,445,545
Other	970,936	1,165,411
Total General Revenue	<u>12,248,588</u>	<u>11,780,805</u>
Total Revenue	<u>18,302,191</u>	<u>14,843,046</u>
Expenses:		
Instruction	6,885,772	7,009,622
Supporting Services	5,387,188	6,181,110
Interest and Fiscal Charges and Capital Outlay	662,953	236,170
Total Expenses	<u>12,935,913</u>	<u>13,426,902</u>
Increase (Decrease) in Net Position	5,366,278	1,416,144
Beginning Net Position	<u>5,081,268</u>	<u>3,665,124</u>
Ending Net Position	<u>\$ 10,447,546</u>	<u>\$ 5,081,268</u>

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remaining revenue comes from grants and contributions, fees charged for services, and miscellaneous sources. The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Highlights:

The District financials kicked off 2025 with the completion of phase II renovations to combine the middle school and high school and opened the former FMS building up for complete remodel throughout FY25. The District General Fund supported the costs for the middle school/ high school renovations and upgrades to the district security systems and campus gates were supported by state and federal grant funding from the COPS and SSD security and safety grant programs. Bond funding from the November 2023 ballot question and matching BEST grant fund were used to complete the majority of phase III renovations with the newly remodeled FMS building transitioning to Fitzsimmons Elementary shortly after the close of FY25. The District was also able to secure a new bus to alleviate pressure on our transportation fleet and complete several deferred maintenance projects including HVAC repairs and roof replacement on our main campus buildings.

Financial Analysis of the District's Funds:

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Analysis:

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 balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The District saw an increase in unassigned fund balance as a result of construction timing. As of June 30, 2025, the District's governmental funds reported combined ending fund balances of \$10,706,883 which is a decrease of \$10,621,472 from the prior year's ending fund balances. It is important to note that this decrease is due mainly to the scope of work completed in the capital build fund as renovations on the new elementary school wrapped up mid summer 2025.

The General Fund is the most significant fund of the District. The General Fund is supported by property taxes, specific ownership taxes, and state equalization funding. The Food Service Fund was supported by the Federal National School Lunch Program and state Healthy School Meals for All, which reimburses districts for costs associated with meals provided to eligible students at the Federal level and all students at the State level. The Designated Purpose Grant Fund is funded by federal grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements while the Capital Building fund is currently supported by bond issuance passed in the November 2023 election. The Student Activities Fund is maintained by student activities fees and fundraising support, while the Swimming Pool Fund is sustained by user fees in business-like activity in addition to property taxes.

- The General Fund reported revenue of \$12.17 million for the 2024-25 fiscal year. This is an increase of \$0.15 million from the prior year.
- The General Fund reported expenditures of \$12.04 million for the 2024-25 fiscal year. This is an increase of \$.27 million as compared to prior year expenditures.

Maintaining adequate fund balance to support district operations is key to overall financial health. FY25 ending fund balance amounts fall at the high end of the District's targeted 3-6 months of expenses; however, anticipated expenditures related to Capital improvements as the District rounds our consolidation with the building of the new transportation department expected reduce the GF fund balance in the next fiscal year as the District finishes out the District Master Plan.

General Fund Budgetary Highlights:

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on the basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The budget is prepared based on an estimate of forecasted student count. The General Fund's actual expenses were under-budgeted appropriations by \$591,340, the majority of which is attributed to the ongoing costs associated with Phase I and Phase II construction and the timing of project completion and billing.

Capital Assets and Debt Administration:

The District's investment in capital assets for governmental activities as of June 30, 2025, amounts to \$29,252,404 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, net of accumulated depreciation, and construction in progress. The total net increase (decrease) in capital assets for the current fiscal year was \$14,519,825 with a significant increase over prior year due to construction in progress as of 6/30/25.

Long-Term Debt: As of June 30, 2025, the District had an outstanding bond debt of \$15,923,748.

Economic Factors:

The primary factors impacting funding for the District continue to be student enrollment and the State's economy. Nationwide demographic reports are showing a strong reduction in K12 enrollment across many states including Colorado. This reduction is due in large part to a reduction in birth rates and a transition to alternative educational models including online programming and homeschooling. The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school district based upon a formula that takes into consideration the cost of living, number of students, district size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. Revisions to the school finance act formula were adopted in FY25 but implementation of the act was not in effect for the fiscal year. Overall funding per the formula remained consistent in FY25 with impact expected in FY26. Funding sources for the School Finance Act are derived by the following formula:

Total Program Funding = local property taxes + general specific ownership taxes + state equalization.

At the time these financial statements were prepared and audited, the District contemplated the following factors that could significantly affect its financial health in the future.

Major grant awards received in FY25 include the BEST grant for capital improvement, the Office of Safety and Security SSD grant, and the Federal COPS grant, also for safety and security. While many projects related to these grants began in FY24 they continued into FY25 with most projects wrapping up in FY25 and early FY26. Budget monitoring for related projects will be paramount as the District works to maintain grant compliance and complete all approved projects on time and on budget, thus avoiding the use of General Fund monies unless specifically appropriated on a project-by-project basis.

Health insurance premiums and coverage costs continue to climb as does the need to remain competitive on salaries with the current shortages in teachers, support service specialists, and other positions including bus drivers still impacting districts across Colorado. Impacts on employees due to the consolidation of District sites will also continue to be on the forefront for District leadership.

Colorado PERA continues to increase employer and employee contributions putting additional pressure on the General fund and District Employees. The “ratchet mechanism” shows no indications of slowing that pressure unless the PERA board and Colorado Legislature revise and better align the triggers for increasing and decreasing contributions. Additionally, new guidance from PERA has highlighted additional employee subgroups, such as contracted employees and substitutes for whom participation in the fund may be mandatory in the future. PERA has indicated that the ratchet will not be in effect for at least one more year, through FY26, but PERA continues to be an area of concern for school districts across the state as we fight to attract and retain quality employees.

Request for Information:

This financial report is designed to provide a general overview of Platte Canyon School District RE 1’s finances for all those with an interest in the District’s finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Director of Business Services, Platte Canyon School District, 57393 US Hwy 285, or P.O. Box 1069, Bailey, Colorado 80421. Additional information is available on the district website at www.plattecanyonschools.org.

BASIC FINANCIAL STATEMENTS

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF NET POSITION
June 30, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 8,240,097
Restricted Cash and Investments	3,804,468
Cash Held with Fiscal Agent	83,032
Taxes Receivable	330,490
Accounts Receivable	1,071,055
Inventories	12,072
Capital Assets, Not Depreciated	19,520,588
Capital Assets, Depreciated, Net of Accumulated Depreciation	9,183,562
Right to Use Assets, Amortized, Net of Accumulated Amortization	548,254
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TOTAL ASSETS	42,793,618
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	4,177,703
Related to OPEB	62,393
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TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,240,096
LIABILITIES	
Accounts Payable	2,095,789
Accrued Salaries and Benefits	647,232
Accrued Interest Payable	60,011
Unearned Revenue	23,042
Noncurrent Liabilities	
Due Within One Year	459,081
Due in More Than One Year	16,340,572
Net Pension Liability	14,610,179
Net OPEB Liability	259,226
	<hr/>
TOTAL LIABILITIES	34,495,132
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	1,887,165
Related to OPEB	203,871
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TOTAL DEFERRED INFLOWS OF RESOURCES	2,091,036
NET POSITION	
Net Investment in Capital Assets	12,665,350
Restricted for Emergencies	430,421
Restricted for Debt Service and Capital Improvements	4,466,120
Unrestricted	(7,114,345)
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TOTAL NET POSITION	\$ 10,447,546
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The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF ACTIVITIES
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	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 6,885,772	\$ -	\$ 1,097,781	\$ -	\$ (5,787,991)
Supporting Services	5,387,188	301,844	1,581,419	3,072,559	(431,366)
Interest and Fiscal Charges	662,953	-	-	-	(662,953)
Total Governmental Activities	12,935,913	301,844	2,679,200	3,072,559	(6,882,310)
GENERAL REVENUES					
					6,865,048
					619,792
					3,792,812
					69,599
					901,337
					12,248,588
					CHANGE IN NET POSITION
					5,366,278
					NET POSITION, Beginning
					5,081,268
					NET POSITION, Ending
					\$ 10,447,546

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

PLATTE CANYON SCHOOL DISTRICT 1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND	CAPITAL BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and Investments	\$ 7,903,206	\$ 5,987	\$ -	\$ -	\$ -	\$ 330,904	\$ 8,240,097
Restricted Cash and Investments	-	-	-	774,736	3,029,732	-	3,804,468
Cash Held at Fiscal Agent	77,296	-	-	5,736	-	-	83,032
Due From Other Funds	65,723	-	-	-	1,739,954	-	1,805,677
Taxes Receivable	246,123	-	-	84,367	-	-	330,490
Other Receivables	-	33,446	94,909	-	942,700	-	1,071,055
Inventory	-	12,072	-	-	-	-	12,072
TOTAL ASSETS	\$ 8,292,348	\$ 51,505	\$ 94,909	\$ 864,839	\$ 5,712,386	\$ 330,904	\$ 15,346,891
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,095,789	\$ -	\$ 2,095,789
Due To Other Funds	1,739,954	-	65,723	-	-	-	1,805,677
Unearned Revenue	23,042	-	-	-	-	-	23,042
Accrued Salaries and Benefits	595,421	11,775	29,186	-	-	10,850	647,232
TOTAL LIABILITIES	2,358,417	11,775	94,909	-	2,095,789	10,850	4,571,740
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Tax Revenues	52,952	-	-	15,316	-	-	68,268
FUND BALANCES							
Nonspendable	-	12,072	-	-	-	-	12,072
Restricted for Emergencies	430,421	-	-	-	-	-	430,421
Restricted for Debt Service	-	-	-	849,523	-	-	849,523
Restricted for Capital Improvements	-	-	-	-	3,616,597	-	3,616,597
Committed	-	27,658	-	-	-	-	27,658
Assigned	-	-	-	-	-	320,054	320,054
Unassigned	5,450,558	-	-	-	-	-	5,450,558
TOTAL FUND BALANCES	5,880,979	39,730	-	849,523	3,616,597	320,054	10,706,883
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,292,348	\$ 51,505	\$ 94,909	\$ 864,839	\$ 5,712,386	\$ 330,904	\$ 15,346,891

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

PLATTE CANYON SCHOOL DISTRICT 1

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2025

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

Total fund balances of governmental funds			\$ 10,706,883
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated	19,520,588	
	Capital Assets, Depreciated	28,260,797	
	Accumulated Depreciation	(19,077,235)	
	Right to Use Assets	1,185,781	
	Accumulated Amortization	<u>(637,527)</u>	29,252,404
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.			68,268
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated Absences	(272,610)	
	Accrued Interest Payable	(60,011)	
	Bonds Payable	(14,240,000)	
	Bond Premium	(1,683,748)	
	Leases Payable	(603,295)	
	Net Pension Liability	(14,610,179)	
	Net OPEB Liability	<u>(259,226)</u>	(31,729,069)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pensions	4,177,703	
	Deferred outflows of resources - Related to OPEB	62,393	
	Deferred inflows of resources - Related to Pensions	(1,887,165)	
	Deferred inflows of resources - Related to OPEB	<u>(203,871)</u>	<u>2,149,060</u>
Net position of governmental activities			<u>\$ 10,447,546</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

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

	GENERAL FUND	FOOD SERVICE FUND	DESIGNATED GRANTS FUND	BOND REDEMPTION FUND	CAPITAL BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Local Sources	\$ 6,793,909	\$ 14,061	\$ -	\$ 1,072,370	\$ 691,707	\$ 402,294	\$ 8,974,341
State Sources	4,938,064	166,992	-	-	3,072,559	-	8,177,615
Federal Sources	444,723	173,628	413,971	-	-	-	1,032,322
TOTAL REVENUES	12,176,696	354,681	413,971	1,072,370	3,764,266	402,294	18,184,278
EXPENDITURES							
Current							
Instruction	6,511,568	-	353,112	-	-	190,963	7,055,643
Supporting Services	4,653,812	402,432	60,859	2,302	530,790	202,304	5,852,499
Capital Outlay	773,812	-	-	-	14,036,083	-	14,809,895
Debt Service							
Principal	90,362	-	-	260,000	-	-	350,362
Interest	18,851	-	-	718,500	-	-	737,351
TOTAL EXPENDITURES	12,048,405	402,432	413,971	980,802	14,566,873	393,267	28,805,750
NET CHANGE IN FUND BALANCES	128,291	(47,751)	-	91,568	(10,802,607)	9,027	(10,621,472)
FUND BALANCES, Beginning	5,752,688	87,481	-	757,955	14,419,204	311,027	21,328,355
FUND BALANCES, Ending	<u>\$ 5,880,979</u>	<u>\$ 39,730</u>	<u>\$ -</u>	<u>\$ 849,523</u>	<u>\$ 3,616,597</u>	<u>\$ 320,054</u>	<u>\$ 10,706,883</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

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

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

Net change in fund balances - total governmental funds			\$(10,621,472)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.			
	Capital Outlay	15,231,188	
	Depreciation and Amortization	<u>(711,363)</u>	14,519,825
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.			(20,471)
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.			
	Bond Principal Payments	260,000	
	Leases Principal Payments	105,640	
	Amortization of Bond Premium	73,206	
	Changes in Accrued Interest Payable	1,192	
	Changes in Compensated Absences	<u>4,765</u>	444,803
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.			
	Deferred charges related to Pension Plan	930,524	
	Deferred charges related to OPEB	<u>113,069</u>	<u>1,043,593</u>
Change in net position of governmental activities			<u>\$ 5,366,278</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Platte Canyon School District 1 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. The District is a political subdivision of the State of Colorado and is governed by an elected board of five members. Following is a summary of the more significant policies:

Reporting Entity

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

Based upon the application of these criteria, no additional organizations are includable within the District’s reporting entity.

Jointly Governed Organizations

The District is a participant among three districts in a jointly governed organization to operate the Blue Sky Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a five-member board of directors consisting of two board members from the District, two board members from Clear Creek School District, and one board member from Gilpin County School District. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119, Black Hawk, CO 80422 or from their website, <http://blueskyboces.com/financial-transparency/>.

Government-Wide and Fund Financial Statements

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

The *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.

The *Food Service Fund* accounts for the District's food service program.

The *Designated Grants Fund* accounts for the District's federal grant funds.

The *Bond Redemption Fund* is the fund that accounts for the repayment of the District's general obligation debt.

The *Capital Building Fund* is the fund that accounts for the District's capital improvement projects.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – The District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Inventories – Inventories in the governmental funds are valued using the purchase method. Under this method, inventories are recorded as expenditures when purchased. A physical inventory is taken annually at June 30th in the Food Service Fund. The inventory consists of donated commodities which were valued at the estimated acquisition value. Purchased commodities and supplies are valued at cost using the first-in, first-out (FIFO) method.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Due To and Due From Other Funds - Interfund balances are the result of the time lag between the dates that goods and services are provided and payments between funds are made.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives.

Site Improvements	20-50 years
Buildings and Improvements	10-50 years
Vehicles and Equipment	10-20 years

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

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during the school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, are reported as a liability in the General, Designated Grants, and Food Service Funds.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees may carry over a maximum of sixty days to the next fiscal year. At June 30, 2025, a long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the postmark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports inventory balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the fund balances in the Bond Redemption Fund and Capital Building Fund are reported as restricted for debt service and capital improvements.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District reports portions of the fund balance of the Food Service Fund as committed resources as of June 30, 2025.

- **Assigned** – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The District has classified the fund balances of the Student Activities Fund and Swimming Pool Fund as assigned because their use has been designated for a specific purpose by the District.

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

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool (“CSDSIP” or the “Pool”), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium for its property and casualty insurance coverage. The intergovernmental agreement of formation of CSDSIP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members’ claims in excess of a specified self-insured retentions, which is determined each policy year.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management (Continued)

The District carries commercial insurance for all other risks of loss, including worker’s compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Subsequent Events

The District has evaluated events subsequent to the year ended June 30, 2025 through December 17, 2025, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2025, consist of the following:

Petty Cash	\$	200
Deposits		510,106
Investments		<u>11,534,259</u>
Total	\$	<u>12,044,565</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	\$	8,240,097
Cash and Investments - Restricted		<u>3,804,468</u>
	\$	<u>12,044,565</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: **CASH AND INVESTMENTS** (Continued)

Deposits (Continued)

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At June 30, 2025, the District had deposits with financial institutions with a carrying amount of \$510,106. The bank balances with the financial institutions were \$2,615,328. Of these balances, \$250,000 was covered by federal depository insurance and \$2,365,328 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

Credit Risk

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2025, the District reports the following investments:

	Fair Value	Investment Maturity (Years)	
		Less Than One Year	One To Five Years
CSIP LGIP	\$ 3,029,732	\$ 3,029,732	\$ -
ColoradoTrust	8,504,527	8,504,527	-
Total	\$ 11,534,259	\$ 11,534,259	\$ -

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

The District follows State of Colorado’s statute which limits investments in money market funds to those with the highest rating issued by NRSRO’s and with a constant share price, or to money market funds that invest only in specific securities.

The District invested \$3,029,732 in Colorado Statewide Investment Pool (CSIP) Liquid Portfolio (LGIP).

These funds invest in fully liquid, variable rate investment options (LGIP) authorized under Colorado Revised Statutes 24-75-601 et. seq.

The CSIP LGIP portfolio is rated AAAM by Standard & Poor’s and AAAMmf by Fitch Ratings. CSIP Term portfolio is rate AAAf by Fitch Ratings.

These investments are valued using Level 1 inputs.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The District had invested \$8,504,527 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00 (net asset value). Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities.

A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Restricted Cash

At June 30, 2025, cash in the amount of \$774,736 and \$3,029,732 are restricted in the Bond Redemption Fund and Capital Building Fund for debt service and capital improvements, respectively.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: CAPITAL ASSETS

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 935,530	\$ -	\$ -	\$ 935,530
Construction in Progress	3,521,953	15,063,105	-	18,585,058
Total Capital Assets, Not Depreciated	4,457,483	15,063,105	-	19,520,588
Capital Asset, Being Depreciated/Amortized				
Buildings and Improvements	23,337,946	13,135	-	23,351,081
Site Improvements	2,331,993	-	-	2,331,993
Equipment	2,422,775	154,948	-	2,577,723
Right to Use Assets	1,185,781	-	-	1,185,781
Total Capital Assets, Being Depreciated/Amortized	29,278,495	168,083	-	29,446,578
Accumulated Depreciation/Amortization				
Buildings and Improvements	15,187,863	472,585	-	15,660,448
Site Improvements	1,505,010	47,849	-	1,552,859
Equipment	1,762,278	101,650	-	1,863,928
Right to Use Assets	548,248	89,279	-	637,527
Total Depreciation/Amortization	19,003,399	711,363	-	19,714,762
Net Capital Assets, Depreciated/Amortized	10,275,096	(543,280)	-	9,731,816
Net Capital Assets	<u>\$ 14,732,579</u>	<u>\$ 14,519,825</u>	<u>\$ -</u>	<u>\$ 29,252,404</u>

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Governmental Activities	
Instruction	\$ 380,839
Supporting Services	<u>330,534</u>
Total	<u>\$ 711,363</u>

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: LONG-TERM DEBT

The following is a summary of the District’s long-term debt transactions for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
Direct Borrowings					
2024 Bonds	\$14,500,000	\$ -	\$ 260,000	\$14,240,000	\$ 320,000
2024 Premium	1,756,954	-	73,206	1,683,748	
Total Direct Borrowings	16,256,954	-	333,206	15,923,748	320,000
Net Pension Liability	17,716,925	-	3,106,746	14,610,179	-
Net OPEB Liability	427,793	-	168,567	259,226	-
Compensated Absences	277,375	-	4,765	272,610	27,261
Total Long-Term Obligations	\$34,679,047	\$ -	\$ 3,613,284	\$31,065,763	\$ 347,261

2024 General Obligation Bonds

In January 2024, the District issued \$14,500,000 of Series 2024 General Obligation Bonds. Proceeds of the bonds, including bond premium of \$1,830,160, are being used to finance the construction, installation and equipping of capital projects approved by District voters at an election held on November 7, 2023, and to pay the costs of issuing the bonds. The bonds carry an interest rate of 5 percent. Semi-annual interest payments are due on June 1 and December 1, beginning on June 1, 2024, through December 1, 2048. Principal payments on the bonds are due on December 1, beginning on December 1, 2024, through December 1, 2048. Payments are made through the District’s Capital Building Fund.

Bonds maturing on and before December 1, 2033, are not subject to redemption prior to their respective maturity dates. Bond maturing on and after December 1, 2034, are subject to redemption prior to maturity, at the option of the District.

The bonds maturing on December 1, 2043, are subject to mandatory sinking fund redemption by lot on December 1, of each year, at a redemption price equal to the principal amount thereof (with no redemption premium) plus accrued interest to the redemption date.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: **LONG-TERM DEBT** (Continued)

Annual debt service requirements on the bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 320,000	\$ 704,000	\$ 1,024,000
2027	335,000	687,625	1,022,625
2028	350,000	670,500	1,020,500
2029	370,000	652,500	1,022,500
2030	390,000	633,500	1,023,500
2031-2035	2,255,000	2,847,375	5,102,375
2036-2040	2,880,000	2,209,500	5,089,500
2041-2045	3,680,000	1,393,000	5,073,000
2046-2049	3,660,000	377,250	4,037,250
Total	<u>\$ 14,240,000</u>	<u>\$ 10,175,250</u>	<u>\$ 24,415,250</u>

NOTE 5: **LEASES**

The following is a summary of the District's lease transactions for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
Energy Lease	\$ 661,455	\$ -	\$ 90,362	\$ 571,093	\$ 96,000
Copier Lease	47,480	-	15,278	32,202	15,820
Totals	<u>\$ 708,935</u>	<u>\$ -</u>	<u>\$ 105,640</u>	<u>\$ 603,295</u>	<u>\$ 111,820</u>

2016 Energy Efficiency Lease

In 2016, the District entered into a lease agreement in the amount of \$1,196,074 for energy efficiency improvements, including upgrades to lighting throughout the District's facilities. The lease carries an interest rate of 2.85%. Annual lease payments are due on May 1 through 2031. The District has capitalized assets related to the lease in the amount of \$1,109,074. In the event of default, all past due, current, and future amounts will become immediately due and payable. The District would be required to return equipment to the lessor at the District's expense. The lessor may sell, lease, or otherwise dispose of any equipment under the lease, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy, or privilege available under applicable laws. Total lease expense for the year ended June 30, 2025, was \$109,213.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: LEASES (Continued)

2022 Copier Lease

In July 2022, the District entered into a 5 year lease agreement in the amount of \$76,707 for the purchase of copiers. The implied interest rate on the lease is 3.49%. Monthly principal and interest payments in the amount of \$1,391 are due through June 2027. Total lease expense for the year ended June 30, 2025 was \$16,692.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 111,820	\$ 17,148	\$ 128,968
2027	118,267	13,851	132,118
2028	108,032	10,636	118,668
2029	114,446	7,558	122,004
2030	121,139	4,296	125,435
2031	29,591	422	30,013
Totals	<u>\$ 603,295</u>	<u>\$ 53,911</u>	<u>\$ 657,206</u>

NOTE 6: INTERFUND BALANCES

At June 30, 2025, the Designated Grants Fund and the Capital Building Fund owe \$65,723 and \$1,739,954, respectively, to the General Fund for expenses paid by the General Fund on behalf of the funds.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 following table:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,348,652 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.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

At June 30, 2025, the District reported a liability of \$14,610,179 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$14,610,179
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,312,226
Total	\$15,922,405

At December 31, 2024, the District’s proportion was 0.0847%, which a decrease of 0.016% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$676,280 and revenue of \$119,767 for support from the State as a nonemployer 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:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$827,352	\$-
Changes of assumptions or other inputs	109,534	-
Net difference between projected and actual earnings on pension plan investments	275,653	1,887,165
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,275,806	-
Contributions subsequent to the measurement date	689,358	N/A
Total	\$4,177,703	\$1,887,165

\$689,358 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2026	\$1,045,087
2027	1,464,317
2028	(711,627)
2029	(196,597)
2030	-
Thereafter	-

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial assumptions (Continued)

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

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

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

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.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (Continued)

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

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

Discount rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

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

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$19,808,016	\$14,610,179	\$10,256,263

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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.

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PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public 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.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$67,499 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 \$259,226 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.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

At December 31, 2024, the District’s proportion was 0.0542%, which a decrease of 0.0542% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$45,570). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$-	\$57,180
Changes of assumptions or other inputs	2,972	82,861
Net difference between projected and actual earnings on OPEB plan investments	879	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	24,040	63,820
Contributions subsequent to the measurement date	34,502	N/A
Total	\$62,393	\$203,871

\$34,502 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:

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Year ended June 30,	
2026	(\$53,291)
2027	(\$32,829)
2028	(\$35,412)
2029	(\$23,037)
2030	(\$19,390)
Thereafter	(\$12,021)

Actuarial assumptions

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

	School Division
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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

Age-Related Morbidity Assumptions

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

	School Division
Salary increases, including wage inflation:	
Members other than Safety Officers	4.00%-13.40%
Safety Officers	N/A

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (Continued)

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

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

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

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates (Continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$252,241	\$259,226	\$267,130

¹For the January 1, 2025, plan year.

Discount rate

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

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

PLATTE CANYON SCHOOL DISTRICT 1
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Discount rate (Continued)

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

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

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$317,685	\$259,226	\$208,827

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2025, the emergency reserve of \$430,421 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 6,410,974	\$ 5,993,120	\$ 5,711,190	\$ (281,930)	\$ 5,458,272
Specific Ownership Taxes	610,735	635,334	619,792	(15,542)	566,686
Earnings on Investments	165,000	165,000	209,630	44,630	237,240
All Other Local Revenue Codes	313,500	302,500	253,297	(49,203)	283,085
Total Local Sources	<u>7,500,209</u>	<u>7,095,954</u>	<u>6,793,909</u>	<u>(302,045)</u>	<u>6,545,283</u>
State Sources					
State Equalization	3,123,454	3,328,083	3,792,812	464,729	3,445,545
Colorado Early Literacy Grant	161,228	-	67,978	67,978	99,667
Exceptional Children's Education Act	2,500	2,500	223,441	220,941	229,186
Universal Preschool Program	224,000	224,000	304,000	80,000	324,302
Transportation	185,000	192,000	205,649	13,649	229,596
Rural Schools Funding	-	-	-	-	307,300
PERA-On Behalf Contribution	-	-	119,767	119,767	29,598
Safer SSD	251,985	-	108,050	108,050	-
All Other State Revenue	277,744	291,808	116,367	(175,441)	302,067
Total State Sources	<u>4,225,911</u>	<u>4,038,391</u>	<u>4,938,064</u>	<u>899,673</u>	<u>4,967,261</u>
Federal Sources					
ESSER	-	88,391	88,391	-	89,274
Medicaid	57,000	(59,003)	76,558	135,561	56,697
COPS Federal Security	279,609	279,609	279,774	165	-
All Other Federal Revenue	653	653	-	(653)	88,309
Total Federal Sources	<u>337,262</u>	<u>309,650</u>	<u>444,723</u>	<u>135,073</u>	<u>234,280</u>
TOTAL REVENUES	<u>12,063,382</u>	<u>11,443,995</u>	<u>12,176,696</u>	<u>732,701</u>	<u>11,746,824</u>
EXPENDITURES					
Instruction					
Salaries	3,963,646	4,006,561	4,298,625	(292,064)	3,799,597
Employee Benefits	1,268,541	1,267,200	1,107,402	159,798	1,288,415
Purchased Services	788,590	709,890	857,251	(147,361)	625,232
Supplies and Materials	265,896	270,451	238,931	31,520	127,156
Property	2,700	2,700	1,345	1,355	25,734
Other Objects and Uses	17,400	17,500	9,359	8,141	11,097
Total Instruction	<u>6,306,773</u>	<u>6,274,302</u>	<u>6,512,913</u>	<u>(238,611)</u>	<u>5,877,231</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
EXPENDITURES (Continued)					
Supporting Services					
Student Services					
Salaries	248,427	253,517	230,611	22,906	246,862
Employee Benefits	73,797	72,646	69,045	3,601	75,680
Purchased Services	114,500	97,000	77,063	19,937	115,681
Supplies and Materials	9,550	9,650	2,100	7,550	12,837
Total Students	<u>446,274</u>	<u>432,813</u>	<u>378,819</u>	<u>53,994</u>	<u>451,060</u>
Instructional Staff					
Salaries	193,636	188,553	175,679	12,874	230,354
Employee Benefits	54,300	53,283	51,783	1,500	64,835
Purchased Services	350,035	455,135	223,483	231,652	156,211
Supplies and Materials	53,900	61,935	69,877	(7,942)	46,307
Property	65,500	65,500	23,342	42,158	85,115
Other Objects and Uses	500	500		500	64
Total Instructional Staff	<u>717,871</u>	<u>824,906</u>	<u>544,164</u>	<u>280,742</u>	<u>582,886</u>
General Administration					
Salaries	96,587	96,587	90,945	5,642	99,500
Employee Benefits	41,425	46,670	31,515	15,155	34,452
Purchased Services	57,650	49,650	46,400	3,250	71,084
Supplies and Materials	1,250	1,250	203	1,047	465
Property	-	-	-	-	207
Other Objects and Uses	16,500	16,500	13,094	3,406	10,316
Total General Administration	<u>213,412</u>	<u>210,657</u>	<u>182,157</u>	<u>28,500</u>	<u>216,024</u>
School Administration					
Salaries	750,779	731,389	663,816	67,573	792,647
Employee Benefits	229,404	199,087	188,754	10,333	225,858
Purchased Services	3,626	3,626	601	3,025	3,381
Supplies and Materials	5,048	5,030	2,976	2,054	3,968
Property	500	800	412	388	4,598
Other Objects and Uses	3,050	3,050	2,693	357	2,036
Total School Administration	<u>992,407</u>	<u>942,982</u>	<u>859,252</u>	<u>83,730</u>	<u>1,032,488</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	186,281	196,281	199,748	(3,467)	202,598
Employee Benefits	46,693	55,639	50,972	4,667	53,385
Purchased Services	49,400	49,400	29,692	19,708	32,774
Supplies and Materials	59,000	63,295	61,326	1,969	58,441
Property	1,000	1,000	886	114	2,219
Other Objects and Uses	1,000	1,000	1,214	(214)	875
Total Business Services	<u>343,374</u>	<u>366,615</u>	<u>343,838</u>	<u>22,777</u>	<u>350,292</u>
Operations and Maintenance					
Salaries	505,768	444,695	425,166	19,529	497,656
Employee Benefits	161,321	153,017	263,367	(110,350)	206,954
Purchased Services	263,700	223,800	245,653	(21,853)	162,758
Supplies and Materials	516,720	516,720	422,732	93,988	401,139
Property	409,652	378,871	503,064	(124,193)	51,839
Total Operations and Maintenance	<u>1,857,161</u>	<u>1,717,103</u>	<u>1,859,982</u>	<u>(142,879)</u>	<u>1,320,346</u>
Student Transportation					
Salaries	390,234	391,692	376,979	14,713	145,141
Employee Benefits	109,704	133,371	127,410	5,961	117,521
Purchased Services	15,750	15,800	7,631	8,169	117,895
Supplies and Materials	88,973	89,473	79,255	10,218	69,822
Property	198,000	202,948	210,400	(7,452)	50,539
Total Student Transportation	<u>802,661</u>	<u>833,284</u>	<u>801,675</u>	<u>31,609</u>	<u>500,918</u>
Central Support					
Salaries	69,230	69,230	64,164	5,066	78,990
Employee Benefits	31,897	16,360	15,126	1,234	18,624
Purchased Services	294,099	277,353	235,772	41,581	275,496
Supplies and Materials	21,900	21,900	17,796	4,104	19,696
Property	800	800	477	323	280
Total Central Support	<u>417,926</u>	<u>385,643</u>	<u>333,335</u>	<u>52,308</u>	<u>393,086</u>
Other Support					
Salaries	43,750	43,750	63,855	(20,105)	82,551
Employee Benefits	3,785	3,785	4,473	(688)	4,833
Purchased Services	1,500	1,500	3,494	(1,994)	1,994
Other Objects and Uses	1,200	1,200	2,545	(1,345)	2,615
Total Other Support	<u>50,235</u>	<u>50,235</u>	<u>74,367</u>	<u>(24,132)</u>	<u>91,993</u>

(Continued)

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
Facilities/Capital Outlay					
Purchased Services	95,000	125,000	14,392	110,608	228,535
Supplies					-
Property	425,000	25,000	34,298	(9,298)	1,422,893
Debt Service	109,216	109,213	109,213	-	106,238
Total Facilities/Capital Outlay	<u>629,216</u>	<u>259,213</u>	<u>157,903</u>	<u>101,310</u>	<u>1,757,666</u>
Total Supporting Services	<u>6,470,537</u>	<u>6,023,451</u>	<u>5,535,492</u>	<u>487,959</u>	<u>6,696,759</u>
RESERVES					
Appropriated Reserves	3,207,819	430,421	-	430,421	-
Emergency Reserves	450,194	4,073,509	-	4,073,509	-
TOTAL RESERVES	<u>3,658,013</u>	<u>4,503,930</u>	<u>-</u>	<u>4,503,930</u>	<u>-</u>
TOTAL EXPENDITURES	<u>16,435,323</u>	<u>16,801,683</u>	<u>12,048,405</u>	<u>4,753,278</u>	<u>12,573,990</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,371,941)</u>	<u>(5,357,688)</u>	<u>128,291</u>	<u>5,485,979</u>	<u>(827,166)</u>
OTHER FINANCING SOURCES (USES)					
Sale of Land	-	-	-	-	1,071,805
Transfers In (Out)	(45,000)	(395,000)	-	395,000	(27,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,000)</u>	<u>(395,000)</u>	<u>-</u>	<u>395,000</u>	<u>1,044,805</u>
CHANGE IN FUND BALANCE	(4,416,941)	(5,752,688)	128,291	5,880,979	217,639
FUND BALANCES, Beginning	<u>4,416,941</u>	<u>5,752,688</u>	<u>5,752,688</u>	<u>-</u>	<u>5,535,049</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,880,979</u>	<u>\$ 5,880,979</u>	<u>\$ 5,752,688</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICE FUND

Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources	\$ 9,750	\$ 12,250	\$ 14,061	\$ 1,811	\$ 13,524
State Sources	148,895	152,895	166,992	14,097	168,420
Federal Sources	131,761	146,261	173,628	27,367	210,512
TOTAL REVENUES	290,406	311,406	354,681	43,275	392,456
EXPENDITURES					
Supporting Services					
Salaries	139,385	137,785	138,020	(235)	119,796
Benefits	33,314	36,910	35,049	1,861	37,681
Purchased Services	2,750	2,750	743	2,007	989
Food	187,361	194,711	209,200	(14,489)	172,240
Other Supplies	10,000	12,000	11,313	687	11,312
Property	5,000	5,000	6,617	(1,617)	54,856
Other Objects and Uses	2,000	2,000	1,490	510	8,877
Appropriated Reserve	41,190	52,731	-	52,731	-
TOTAL EXPENDITURES	421,000	443,887	402,432	41,455	405,751
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(130,594)	(132,481)	(47,751)	84,730	(13,295)
OTHER FINANCING SOURCES (USES)					
Transfers In	45,000	45,000	-	(45,000)	27,000
CHANGE IN FUND BALANCE	(85,594)	(87,481)	(47,751)	39,730	13,705
FUND BALANCES, Beginning	85,594	87,481	87,481	-	73,776
FUND BALANCES, Ending	\$ -	\$ -	\$ 39,730	\$ 39,730	\$ 87,481

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
DESIGNATED GRANTS FUND
Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Federal Sources	\$ 399,234	\$ 414,992	\$ 413,971	\$ (1,021)	\$ 421,994
TOTAL REVENUES	399,234	414,992	413,971	(1,021)	421,994
EXPENDITURES					
Instruction					
Salaries	260,422	268,095	268,420	(325)	266,405
Benefits	80,349	73,902	80,153	(6,251)	100,031
Purchased Services	500	-	-	-	-
Materials and Supplies	10,788	11,074	4,539	6,535	2,554
Other Objects and Uses	50	-	-	-	-
Total Instruction	352,109	353,071	353,112	(41)	368,990
Supporting Services					
Salaries	26,518	28,392	28,294	98	29,272
Benefits	7,899	6,806	7,663	(857)	11,105
Purchased Services	750	2,553	(350)	2,903	-
Materials and Supplies	-	-	-	-	1,781
Property	11,958	24,170	25,252	(1,082)	10,846
Total Supporting Services	47,125	61,921	60,859	1,062	53,004
TOTAL EXPENDITURES	399,234	414,992	413,971	1,021	421,994
CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability (Asset)	0.0847%	0.1000%	0.0754%	0.0865%	0.1036%	0.0946%	0.0960%	0.1157%	0.1217%	0.1279%
Proportionate Share of the Net Pension Liability (Asset)	\$ 14,610,179	\$ 17,716,925	\$ 13,724,847	\$ 10,066,451	\$ 15,655,850	\$ 14,139,316	\$ 16,994,316	\$ 37,398,411	\$ 36,220,517	\$ 19,563,383
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	1,312,226	388,480	3,999,558	1,035,306	-	1,793,393	2,323,737	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	\$ 15,922,405	\$ 18,105,405	\$ 17,724,405	\$ 11,101,757	\$ 15,655,850	\$ 15,932,709	\$ 19,318,053	\$ 37,398,411	\$ 36,220,517	\$ 19,563,383
Covered payroll	\$ 6,543,045	\$ 6,623,426	\$ 5,812,203	\$ 5,404,388	\$ 5,540,027	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961	\$ 5,574,417
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	223.3%	267.5%	236.1%	186.3%	282.6%	255.87%	322.09%	701.00%	663.38%	350.95%
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%	59.20%

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 1,348,652	\$ 1,342,591	\$ 1,284,926	\$ 1,106,153	\$ 1,084,051	\$ 1,070,918	\$ 1,009,347	\$ 993,908	\$ 989,891	\$ 966,046
Contributions in Relation to the Contractually Required Contributions	<u>1,348,652</u>	<u>1,342,591</u>	<u>1,284,926</u>	<u>1,106,153</u>	<u>1,084,051</u>	<u>1,070,918</u>	<u>1,009,347</u>	<u>993,908</u>	<u>989,891</u>	<u>966,046</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,617,525	\$ 6,587,784	\$ 6,304,839	\$ 5,564,141	\$ 5,453,020	\$ 5,525,893	\$ 5,276,252	\$ 5,334,985	\$ 5,459,961	\$ 5,574,417
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.63%	18.13%	17.33%

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.0542%	0.0599%	0.0570%	0.0565%	0.0599%	0.0618%	0.0624%	0.0657%	0.0691%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 259,226	\$ 427,793	\$ 467,649	\$ 486,869	\$ 569,264	\$ 695,177	\$ 848,762	\$ 854,022	\$ 896,534
Covered payroll	6,543,045	6,623,426	5,812,203	5,404,388	\$5,540,027	\$5,525,893	\$5,276,252	\$5,334,985	\$5,459,961
Proportionate Share of the Net OPEB Liability as A Percentage of its Covered Payroll	4.0%	6.5%	8.0%	9.0%	10.3%	12.58%	16.09%	16.01%	16.42%
Plan Fiduciary Net position as a Percentage of The Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

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>
Contractually Required Contributions	\$ 67,499	\$ 67,195	\$ 64,309	\$ 56,754	\$ 55,621	\$ 56,364	\$ 53,818	\$ 54,417	\$ 55,692
Contributions in Relation to the Contractually Required Contributions	<u>67,499</u>	<u>67,195</u>	<u>64,309</u>	<u>56,754</u>	<u>55,621</u>	<u>56,364</u>	<u>53,818</u>	<u>54,417</u>	<u>55,692</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$6,617,525	\$6,587,784	\$6,304,839	\$5,564,141	\$5,453,020	\$5,525,893	\$5,276,252	\$5,334,985	\$5,459,961
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%

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted in accordance with State Budget Law on each fund's basis of accounting unless indicated. All appropriations lapse at fiscal year-end.

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of the District submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- The Board can modify the budget by line item at any time. Total appropriation can only be modified upon completion of notification and publication requirements.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.

NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN

2024 Changes in Assumptions or Other Inputs Since 2023:

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 2: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN** (Continued)

2023 Changes in Plan Provisions Since 2022:

- 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.

NOTE 3: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

2024 Changes in Plan Provisions Since 2023:

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

PLATTE CANYON SCHOOL DISTRICT 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 3: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN** (Continued)

2023 Changes in Plan Provisions Since 2022:

- 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 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

NOTE 4: **SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

2024 Changes in Assumptions or Other Inputs Since 2023:

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

There were no changes made to the actuarial methods or assumptions in 2023.

COMBINING AND INDIVIDUAL FUND SCHEDULES

PLATTE CANYON SCHOOL DISTRICT 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
ASSETS			
Cash and Investments	\$ 162,666	\$ 168,238	\$ 330,904
TOTAL ASSETS	\$ 162,666	\$ 168,238	\$ 330,904
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accrued Salaries and Benefits	-	10,850	10,850
TOTAL LIABILITIES	-	10,850	10,850
FUND EQUITY			
Assigned	162,666	157,388	320,054
TOTAL FUND EQUITY	162,666	157,388	320,054
TOTAL LIABILITIES AND FUND BALANCES	\$ 162,666	\$ 168,238	\$ 330,904

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

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

	STUDENT ACTIVITIES FUND	SWIMMING POOL FUND	TOTALS
REVENUES			
Local Sources	\$ 185,612	\$ 216,682	\$ 402,294
TOTAL REVENUES	<u>185,612</u>	<u>216,682</u>	<u>402,294</u>
EXPENDITURES			
Current			
Instruction	190,963	-	190,963
Supporting Services	-	202,304	202,304
TOTAL EXPENDITURES	<u>190,963</u>	<u>202,304</u>	<u>393,267</u>
NET CHANGE IN FUND BALANCES	(5,351)	14,378	9,027
FUND BALANCES, Beginning	<u>168,017</u>	<u>143,010</u>	<u>311,027</u>
FUND BALANCES, Ending	<u>\$ 162,666</u>	<u>\$ 157,388</u>	<u>\$ 320,054</u>

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 STUDENT ACTIVITIES FUND
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Other	\$ 217,432	\$ 217,432	\$ 185,612	\$ (31,820)	\$ 194,846
TOTAL REVENUES	217,432	217,432	185,612	(31,820)	194,846
EXPENDITURES					
Instruction					
Purchased Services	-	-	22,331	(22,331)	18,859
Materials and Supplies	245,290	245,290	168,054	77,236	207,498
Other Objects and Uses	-	-	578	(578)	636
Appropriated Reserve	196,749	140,159	-	140,159	-
TOTAL EXPENDITURES	442,039	385,449	190,963	194,486	226,993
CHANGE IN FUND BALANCE	(224,607)	(168,017)	(5,351)	162,666	(32,147)
FUND BALANCE, Beginning	224,607	168,017	168,017	-	200,164
FUND BALANCE, Ending	\$ -	\$ -	\$ 162,666	\$ 162,666	\$ 168,017

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 SWIMMING POOL FUND
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 99,846	\$ 99,846	\$ 101,959	\$ 2,113	\$ 99,274
Charges for Services	99,400	99,400	114,723	15,323	84,886
TOTAL REVENUES	199,246	199,246	216,682	17,436	184,160
EXPENDITURES					
Supporting Services					
Salaries	112,258	112,258	114,041	(1,783)	113,871
Benefits	31,549	32,495	28,224	4,271	35,607
Purchased Services	8,450	8,200	19,888	(11,688)	8,581
Supplies	39,067	39,067	37,395	1,672	33,974
Property	3,500	10,500	2,602	7,898	697
Other Objects and Uses	1,500	1,500	154	1,346	340
Contingency	7,000	5,000	-	5,000	-
Appropriated Reserves	146,987	133,236	-	133,236	-
TOTAL EXPENDITURES	350,311	342,256	202,304	139,952	193,070
CHANGE IN FUND BALANCE	(151,065)	(143,010)	14,378	157,388	(8,910)
FUND BALANCE, Beginning	151,065	143,010	143,010	-	151,920
FUND BALANCE, Ending	\$ -	\$ -	\$ 157,388	\$ 157,388	\$ 143,010

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 1,176,896	\$ 1,046,377	\$ 1,045,629	\$ (748)	\$ 1,003,378
Earnings on Investments	7,500	7,500	26,741	19,241	32,115
TOTAL REVENUES	1,184,396	1,053,877	1,072,370	18,493	1,035,493
EXPENDITURES					
Supporting Services					
Purchased Services	23,000	23,000	2,302	20,698	2,077
Debt Service					
Principal	260,000	260,000	260,000	-	805,000
Interest	718,500	718,500	718,500	-	271,864
Appropriated Reserves	677,538	810,332	-	810,332	-
TOTAL EXPENDITURES	1,679,038	1,811,832	980,802	831,030	1,078,941
CHANGE IN FUND BALANCE	(494,642)	(757,955)	91,568	849,523	(43,448)
FUND BALANCE, Beginning	494,642	757,955	757,955	-	801,403
FUND BALANCE, Ending	\$ -	\$ -	\$ 849,523	\$ 849,523	\$ 757,955

See the accompanying independent auditor's report.

PLATTE CANYON SCHOOL DISTRICT 1

BUDGETARY COMPARISON SCHEDULE
 CAPITAL BUILDING FUND
 Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	375,000	691,707	316,707	173,980
State Sources					
BEST Grant	-	4,808,219	3,072,559	(1,735,660)	-
TOTAL REVENUES	-	5,183,219	3,764,266	(1,418,953)	173,980
EXPENDITURES					
Supporting Services					
Purchased Services	-	-	530,790	(530,790)	211,823
Property	12,850,000	15,603,219	14,036,083	1,567,136	1,873,113
Appropriated Reserves	585,000	4,349,204	-	4,349,204	-
TOTAL EXPENDITURES	13,435,000	19,952,423	14,566,873	5,385,550	2,084,936
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,435,000)	(14,769,204)	(10,802,607)	3,966,597	(1,910,956)
OTHER FINANCING SOURCES					
Transfers	-	350,000	-	(350,000)	-
Proceeds from Issuance of Debt	200,000	-	-	-	16,330,160
TOTAL OTHER FINANCING SOURCES (USI)	200,000	350,000	-	(350,000)	16,330,160
CHANGE IN FUND BALANCE	(13,235,000)	(14,419,204)	(10,802,607)	3,616,597	14,419,204
FUND BALANCE, Beginning	13,235,000	14,419,204	14,419,204	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 3,616,597	\$ 3,616,597	\$ 14,419,204

See the accompanying independent auditor's report.

COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2600 - Platte Canyon 1
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
Governmental				
10 General Fund	6,071,977	12,176,696	12,048,404	6,200,269
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	-319,289	0	0	-319,289
Sub- Total	5,752,688	12,176,696	12,048,404	5,880,980
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	143,009	216,682	202,304	157,388
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	87,482	354,681	402,433	39,730
22 Govt Designated-Purpose Grants Fund	1	413,971	413,971	1
23 Pupil Activity Special Revenue Fund	168,017	185,612	190,963	162,666
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	757,955	1,072,370	980,802	849,523
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	14,419,204	3,764,266	14,566,873	3,616,597
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	21,328,357	18,184,278	28,805,750	10,706,885
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

GOVERNMENT AUDITING STANDARDS



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

Board of Education
Platte Canyon School District 1
Bailey, 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, each major fund, and the aggregate remaining fund information of Platte Canyon School District (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 17, 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*.

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.

PB Solutions LLC

Littleton, Colorado
December 17, 2025