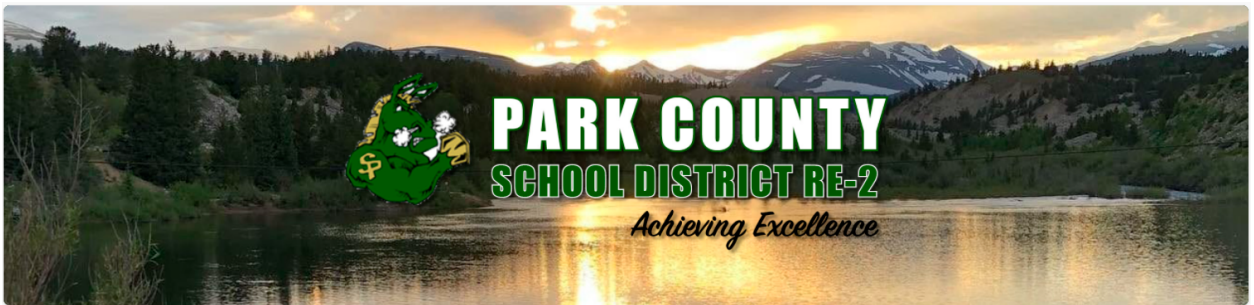


**Park County School District RE-2**

**Financial Report**

**June 30, 2025**



**Park County School District RE-2  
Financial Report  
June 30, 2025**

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Annual Financial Report  
June 30, 2025**

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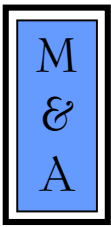
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Park County School District RE-2  
Management's Discussion and Analysis





# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

WEB SITE: [www.McMAHANCPA.COM](http://www.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Education  
Park County School District RE-2  
Fairplay, Colorado**

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County School District RE-2, Colorado (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 present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the 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 ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). 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***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

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

In performing an audit in accordance with U.S. GAAS, 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 in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, 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 U. S. generally accepted auditing standards, 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**

The budgetary comparison schedules in Section E are not a required part of the basic financial statements but is supplementary information required by U. S. generally accepted accounting principles. The budgetary comparison 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 statement or to the financial statements themselves, and other additional procedures in accordance with U. S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as whole. The combining fund financial statements, individual budgetary schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, the individual budgetary schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

*McMahan and Associates, L.L.C.*  
**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**December 30, 2025**

**Park County School District RE-2  
Management's Discussion and Analysis  
As of and for the fiscal year ended June 30, 2025**

As management of the Park County School District RE-2 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

**Financial Highlights**

- The assets of the District and its component units exceeded its liabilities by \$22,780,066 (net position) at the close of the most recent fiscal year end. Like many Colorado School Districts, unrestricted net assets are negative due to a large net pension liability relating to the District's share of PERA.
- At the end of the current fiscal year, total fund balance for the General Fund was \$6,647,511 or 68% of total General Fund expenditures of \$9,815,066. The District's fund balance had an increase of \$200,628 from the prior year.
- The District's total net position (including charter schools) increased by \$1,995,703.
- The District's debt decreased a net amount of \$963,164 from June 30, 2024 and was the result of payments for scheduled debt.

**Overview of the Financial Statements**

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. This report also contains other supplementary information in addition to the basic 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, using accounting methods similar to those used by private-sector businesses.

The Statement of Net Position presents information on all the District's assets and liabilities, 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 whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported 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).

The only category reported in the government-wide financial statements is governmental activities. The District's basic services are included here, such as instructional services, transportation, support services, food service and student activities. Such services include activities relating to building maintenance, technology and administration.

The government-wide financial statement includes not only the Park County School District RE-2 itself, but also the Lake George and Guffey Charter Schools as component units to the District. These Charter Schools function as schools of the District, and therefore, have been included as an integral part of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

## Overview of the Financial Statements (continued)

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the operations of the District by fund instead of the District as a whole. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Capital Reserve Fund, Student Activity Fund, Food Service Fund and Bond Redemption Fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided to demonstrate compliance with state budget statutes.

The basic major governmental fund financial statements can be found on pages C3 through C6.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary funds is much like that used for proprietary funds. The fiduciary funds used by the District account for student clubs and other organizations which exist with the explicit approval of, and are subject to revocation by, the District's Board of Education. The basic fiduciary fund financial statement can be found on page C7 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

## Overview of the Financial Statements (continued)

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. This information can be found in Sections E and F of this report.

### Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceed liabilities by \$22,780,066 at the close of the most recent fiscal year.

#### Park County School District RE-2 Summary of Net Position:

	Governmental Activities		Component Units		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
<b>Assets:</b>						
Current and other assets	\$ 11,709,881	10,884,763	1,750,270	1,634,107	13,460,151	12,518,870
Capital assets	28,084,918	28,581,521	346,761	345,273	28,431,679	28,926,794
<b>Total Assets</b>	<b>39,794,799</b>	<b>39,466,284</b>	<b>2,097,031</b>	<b>1,979,380</b>	<b>41,891,830</b>	<b>41,445,664</b>
<b>Deferred outflow s of resources:</b>						
Pension related deferred outflow	2,754,237	1,827,734	802,203	1,175,784	3,556,440	3,003,518
Post-employment health benefits related deferred outflow	58,365	86,204	35,501	38,803	93,866	125,007
<b>Total deferred outflow s of resources</b>	<b>2,812,602</b>	<b>1,913,938</b>	<b>837,704</b>	<b>1,214,587</b>	<b>3,650,306</b>	<b>3,128,525</b>
<b>Liabilities:</b>						
Other liabilities	3,139,365	2,048,072	323,581	252,712	3,462,946	2,300,784
Long-term liabilities	14,675,969	17,011,322	3,583,219	3,850,321	18,259,188	20,861,643
<b>Total Liabilities</b>	<b>17,815,334</b>	<b>19,059,394</b>	<b>3,906,800</b>	<b>4,103,033</b>	<b>21,722,134</b>	<b>23,162,427</b>
<b>Deferred inflow s of resources:</b>						
Pension related deferred inflow	724,954	337,338	119,045	104,941	843,999	442,279
Post-employment health benefits related deferred inflow	147,749	139,750	48,188	45,370	195,937	185,120
<b>Total deferred inflow s of resources</b>	<b>872,703</b>	<b>477,088</b>	<b>167,233</b>	<b>150,311</b>	<b>1,039,936</b>	<b>627,399</b>
<b>Net position:</b>						
Net invested in capital assets	22,914,947	22,448,386	346,761	345,273	23,261,708	22,793,659
Restricted	2,797,835	3,128,898	285,466	86,000	3,083,301	3,214,898
Unrestricted	(1,793,418)	(3,733,544)	(1,771,525)	(1,490,650)	(3,564,943)	(5,224,194)
<b>Total net position</b>	<b>\$ 23,919,364</b>	<b>21,843,740</b>	<b>(1,139,298)</b>	<b>(1,059,377)</b>	<b>22,780,066</b>	<b>20,784,363</b>

**Government-wide Financial Analysis (continued):**

The following is summary information reflecting the changes in District Net Position:

**Park County School District RE-2 Changes in Net Position:**

	Governmental Activities		Component Units		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 138,650	\$ 12,097	84,718	54,019	223,368	66,116
Operating grants and contributions	1,566,938	1,597,739	1,014,238	615,085	2,581,176	2,212,824
Capital grants and contributions	30,628	27,451	2,924	22,107	33,552	49,558
<i>General revenues:</i>						
Property taxes	7,830,022	8,380,081	2,406,344	2,189,633	10,236,366	10,569,714
Specific ownership taxes	985,237	892,351	-	-	985,237	892,351
Investment earnings	344,932	360,500	30,830	42,215	375,762	402,715
Other	425,329	465,303	-	-	425,329	465,303
Total Revenues	<u>11,321,736</u>	<u>11,735,522</u>	<u>3,539,054</u>	<u>2,923,059</u>	<u>14,860,790</u>	<u>14,658,581</u>
Expenses:						
Direct instruction	5,114,916	7,162,467	2,422,923	2,165,901	7,537,839	9,328,368
Indirect instruction	459,011	615,451	-	17,816	459,011	633,267
Transportation	305,567	377,712	5,095	9,836	310,662	387,548
Custodial maintenance	1,133,103	1,225,942	127,475	200,152	1,260,578	1,426,094
Support services	583,139	651,206	56,499	86,028	639,638	737,234
General administration	1,133,958	1,302,848	911,105	540,474	2,045,063	1,843,322
Community service	-	1,409	818	-	818	1,409
Student activities	78,082	178,787	-	-	78,082	178,787
Interest	108,995	127,352	-	-	108,995	127,352
Food services	329,341	361,554	95,060	70,680	424,401	432,234
Total Expenses	<u>9,246,112</u>	<u>12,004,728</u>	<u>3,618,975</u>	<u>3,090,887</u>	<u>12,865,087</u>	<u>15,095,615</u>
Change in net position	2,075,624	(269,206)	(79,921)	(167,828)	1,995,703	(437,034)
Net position, July 1	<u>21,843,740</u>	<u>22,112,946</u>	<u>(1,059,377)</u>	<u>(891,549)</u>	<u>20,784,363</u>	<u>21,221,397</u>
Net position - June 30	<u>\$ 23,919,364</u>	<u>\$ 21,843,740</u>	<u>\$ (1,139,298)</u>	<u>\$ (1,059,377)</u>	<u>\$ 22,780,066</u>	<u>\$ 20,784,363</u>

## Financial Analysis of the District's Funds

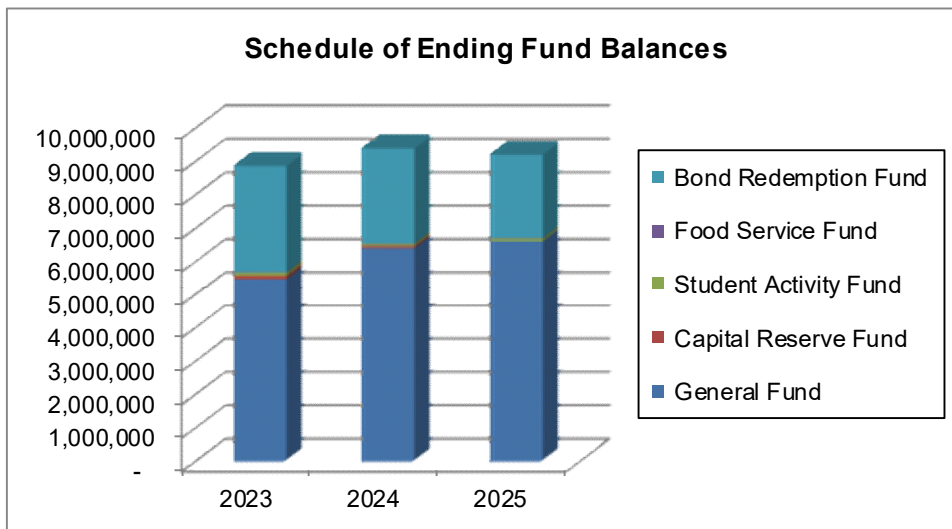
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,238,025. The fund balances decreased \$186,545 from the prior year ending fund balances.

### Fund Balance Trending:

The following graph provides a view of the District's ending governmental fund balances for the last three fiscal years:



## Financial Analysis of the District's Funds (continued)

**Budget Variances in the General Fund:** The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

One of the most important variances to discuss is budgeted versus actual revenues and expenditures in the General Fund. The District had a favorable comparison to the final budget by \$1,324,675. Excluding the budgeted contingency, the District had a favorable variance of \$1,174,675.

**Capital Assets:** The District's capital assets, net of accumulated depreciation, totaled \$28,084,918 as of June 30, 2025. The District capitalizes assets, including buildings and improvements, vehicles, and equipment with an original cost greater than \$5,000 and useful life of more than two years.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in Section D.

**Long-term Debt:** As of the end of the current fiscal year, the District's long-term liabilities totaled \$15,689,947, and are comprised of bonds, net pension and OPEB liability, and compensated absences. This is a net change of \$2,284,539 from the prior year, primarily due to change in net pension liability.

Additional information, as well as a detailed classification of all of the District's total long-term liabilities, can be found in the Notes to the Financial Statements in Section D.

## Economic Factors

The Public School Finance Act 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 in to account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk students, amongst other factors. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

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

Next Year's Fund Balance: The District's General Fund balance at the end of fiscal year 2025 totaled \$6,647,511.

## Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Park County School District RE-2, Business Service, P.O. Box 189, Fairplay, Colorado 80440.

Park County School District RE-2

Basic Financial Statements



**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Statement of Net Position**  
**June 30, 2025**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Component Units</b>
Current assets:		
Cash and cash equivalents	10,372,964	751,985
Accounts, taxes, and interest receivable	1,039,172	998,285
Due from other governments	296,478	-
Inventory	1,267	-
Total current assets	11,709,881	1,750,270
Capital assets:		
Buildings and improvements	39,527,667	346,761
Equipment	646,497	-
Vehicles	1,220,428	-
Less: Accumulated depreciation	(13,309,674)	-
Total net capital assets	28,084,918	346,761
Total assets	39,794,799	2,097,031
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Pension related	2,754,237	802,203
Post-employment health benefits related	58,365	35,501
Total deferred outflows of resources	2,812,602	837,704
<b>LIABILITIES</b>		
Current liabilities:		
Accounts, retainage, arbitrage & deposits payable	1,031,553	3,069
Accrued compensation	1,085,394	320,512
Current portion of long-term debt	981,676	-
Compensated absences	32,302	-
Accrued interest	8,440	-
Total current liabilities	3,139,365	323,581
Noncurrent liabilities:		
Compensated absences	290,385	8,100
Long-term debt, net of current portion	4,188,295	20,000
Net pension liability	10,019,598	3,493,143
Post-employment health benefits (OPEB)	177,691	61,976
Total noncurrent liabilities	14,675,969	3,583,219
Total liabilities	17,815,334	3,906,800
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Pension related	724,954	119,045
Post-employment health benefits related	147,749	48,188
Total deferred inflows of resources	872,703	167,233
<b>NET POSITION</b>		
Net investment in capital assets	22,914,947	346,761
Restricted for:		
TABOR	304,250	103,000
Debt service	2,493,585	-
Unrestricted	(1,793,418)	(1,771,525)
Total net position	23,919,364	(1,139,298)

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

	Program Revenues			Net (Expense) Revenue and Change in Net Position	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
<b>Functions/Programs:</b>						
Governmental Activities:						
Current:						
Direct instruction	5,114,916	-	1,316,613	30,628	(3,767,675)	-
Indirect instruction	459,011	-	4,500	-	(454,511)	-
Transportation	305,567	-	-	-	(305,567)	-
Custodial and maintenance	1,133,103	-	-	-	(1,133,103)	-
Support services	583,139	-	1,365	-	(581,774)	-
General administration	1,133,958	126,416	-	-	(1,007,542)	-
Student activities	78,082	-	-	-	(78,082)	-
Food service	329,341	12,234	244,460	-	(72,647)	-
Interest on long-term debt	108,995	-	-	-	(108,995)	-
<b>Total governmental activities</b>	<b>9,246,112</b>	<b>138,650</b>	<b>1,566,938</b>	<b>30,628</b>	<b>(7,509,896)</b>	<b>-</b>
Component Units:						
Guffey Charter School	442,705	-	52,014	2,924	-	(387,767)
Lake George Charter School	3,176,270	84,718	689,855	-	-	(2,401,697)
<b>Total component units</b>	<b>3,618,975</b>	<b>84,718</b>	<b>741,869</b>	<b>2,924</b>	<b>-</b>	<b>(2,789,464)</b>

**General revenues:**

Property taxes, levied for general purposes	7,200,367	2,406,344
Property taxes, levied for debt	629,655	-
Specific ownership taxes	985,237	-
Grants and contributions not restricted to specific programs	425,329	272,369
Interest and investment earnings	344,932	30,830
<b>Total general revenues</b>	<b>9,585,520</b>	<b>2,709,543</b>

Change in net position 2,075,624 (79,921)

Net position, beginning 21,843,740 (1,059,377)

Net position, ending 23,919,364 (1,139,298)

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

<b>ASSETS</b>	<b>General Fund</b>	<b>Student Activity Fund</b>	<b>Food Service Fund</b>	<b>Bond Redemption Fund</b>	<b>Capital Reserve Fund</b>	<b>Total Governmental Funds</b>
Assets:						
Cash and cash equivalents	7,866,141	83,987	230,512	2,192,324	-	10,372,964
Accounts, taxes, and interest receivable	629,575	-	21,875	32,813	-	684,263
Inventories	-	-	1,267	-	-	1,267
Due from other governments	291,412	-	-	5,066	-	296,478
Due from other funds	-	-	-	263,382	-	263,382
Total assets	<u>8,787,128</u>	<u>83,987</u>	<u>253,654</u>	<u>2,493,585</u>	<u>-</u>	<u>11,618,354</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other current payables	1,031,553	-	-	-	-	1,031,553
Accrued compensation	1,085,394	-	-	-	-	1,085,394
Due to other funds	22,670	-	240,712	-	-	263,382
Total liabilities	<u>2,139,617</u>	<u>-</u>	<u>240,712</u>	<u>-</u>	<u>-</u>	<u>2,380,329</u>
Fund balances:						
Non-spendable	-	-	1,267	-	-	1,267
Spendable:						
Restricted for emergencies	304,250	-	-	-	-	304,250
Restricted for debt service	-	-	-	2,493,585	-	2,493,585
Committed	-	83,987	11,675	-	-	95,662
Unassigned:						
General Fund	6,343,261	-	-	-	-	6,343,261
Total fund balances	<u>6,647,511</u>	<u>83,987</u>	<u>12,942</u>	<u>2,493,585</u>	<u>-</u>	<u>9,238,025</u>
Total liabilities and fund balances	<u>8,787,128</u>	<u>83,987</u>	<u>253,654</u>	<u>2,493,585</u>	<u>-</u>	<u>11,618,354</u>

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2025**

Governmental Funds Total Fund Balance	9,238,025
Property taxes receivables collected 60 days after year-end are not available to pay for the current period's expenditures, and, therefore, are not reflected in the funds.	354,909
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	41,394,592
Accumulated depreciation is not recognized in the governmental funds because capital assets used in governmental activities are not financial resources.	(13,309,674)
Accrued interest payable on long-term liabilities is recognized when due and, therefore, is not reported in the funds.	(8,440)
Changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members.	
Unamortized post-employment health benefits related deferred outflows	58,365
Unamortized post-employment health benefits related deferred inflows	(147,749)
Unamortized Pension-related Deferred Outflows	2,754,237
Unamortized Pension-related Deferred Inflows	(724,954)
Long-term liabilities, including bonds payable, leases payable, compensated absences, and early retirement are not due and payable in the current period and, therefore, are not reported in the funds. The following liabilities are reported in the government-wide Statement of Net Position:	
Bonds payable	(5,169,971)
Compensated absences	(322,687)
Net pension liability	(10,019,598)
Post-employment health benefits liability	(177,691)
	23,919,364
Governmental Activities Net Position	23,919,364

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	<u>General Fund</u>	<u>Student Activity Fund</u>	<u>Food Service Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes:						
Property taxes	7,356,896	-	-	629,901	-	7,986,797
Specific ownership taxes	985,237	-	-	-	-	985,237
State intergovernmental revenue	805,496	-	122,859	-	-	928,355
Federal intergovernmental revenue	434,106	-	121,601	-	-	555,707
Investment income	242,488	-	-	101,504	940	344,932
Other	358,244	85,685	12,234	-	-	456,163
Total revenues	<u>10,182,467</u>	<u>85,685</u>	<u>256,694</u>	<u>731,405</u>	<u>940</u>	<u>11,257,191</u>
<b>EXPENDITURES</b>						
Direct instruction	5,126,677	-	-	-	-	5,126,677
Indirect instruction	584,158	-	-	-	-	584,158
Transportation	281,477	-	-	-	-	281,477
Custodial and maintenance	1,233,005	-	-	-	-	1,233,005
Support services	667,288	-	-	-	-	667,288
General administration	1,201,228	-	-	-	-	1,201,228
Food service	-	-	390,116	-	-	390,116
Student activities	-	83,187	-	-	-	83,187
Debt service:						
Principal	-	-	-	963,164	-	963,164
Interest	-	-	-	110,538	-	110,538
Other	-	-	-	6,515	-	6,515
Capital outlay	721,233	-	14,490	-	60,660	796,383
Total expenditures	<u>9,815,066</u>	<u>83,187</u>	<u>404,606</u>	<u>1,080,217</u>	<u>60,660</u>	<u>11,443,736</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>367,401</u>	<u>2,498</u>	<u>(147,912)</u>	<u>(348,812)</u>	<u>(59,720)</u>	<u>(186,545)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)	(166,773)	16,155	148,000	-	2,618	-
Total other financing sources (uses)	<u>(166,773)</u>	<u>16,155</u>	<u>148,000</u>	<u>-</u>	<u>2,618</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	200,628	18,653	88	(348,812)	(57,102)	(186,545)
<b>FUND BALANCES, BEGINNING</b>	<u>6,446,883</u>	<u>65,334</u>	<u>12,854</u>	<u>2,842,397</u>	<u>57,102</u>	<u>9,424,570</u>
<b>FUND BALANCES, ENDING</b>	<u><u>6,647,511</u></u>	<u><u>83,987</u></u>	<u><u>12,942</u></u>	<u><u>2,493,585</u></u>	<u><u>-</u></u>	<u><u>9,238,025</u></u>

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**June 30, 2025**

Governmental Funds Change in Fund Balances	(186,545)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as expenditures in the governmental funds.	627,986
Retirement of principal outstanding on the District's debt is a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reductions against long-term liabilities.	963,164
Deferred property tax revenue does not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is change in the deferred property tax recognized in the Statement of Activities.	(30,359)
Accrued compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.	25,957
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however, interest is recognized as it accrues, regardless of when it is due. Deferred refunding costs and discounts on bonds are reported in governmental funds as other financing uses. However, in the Statement of Activities, these amounts are amortized and are included with interest expense. This amount represents the change in the interest accrual and the amortization of deferred refunding costs and bond discounts.	1,543
The District is paying off its obligation for early retirement to past employees. This represents the change in the liability for early retirement.	(171,739)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the year.	(1,124,589)
Difference between employer contributions to pension plan and changes in pension liability and amortization of pension-related deferrals.	1,908,727
Changes in the District's net post-employment health benefits obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment health benefits related deferrals.	<u>61,479</u>
Governmental Activities Change in Net Position	<u><u>2,075,624</u></u>

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	<b>Scholarship Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	-
Total assets	-
 <b>NET POSITION:</b>	
Held for student activities and other organizations	-

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Statement of changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	<b>Scholarship Fund</b>
<b>ADDITIONS</b>	
Programs	230
Total additions	230
 <b>DEDUCTIONS</b>	
Programs	5,469
Total deductions	5,469
 <b>CHANGE IN NET POSITION</b>	(5,239)
 <b>NET POSITION - BEGINNING</b>	5,239
 <b>NET POSITION - ENDING</b>	-

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**June 30, 2025**

	<b>Guffey Charter School</b>	<b>Lake George Charter School</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	272,213	479,772	751,985
Accounts, taxes, and interest receivable	160,039	838,246	998,285
Capital assets	66,180	280,581	346,761
<b>Total Assets</b>	<b>498,432</b>	<b>1,598,599</b>	<b>2,097,031</b>
<b>Deferred Outflows of Resources:</b>			
Pension related	72,631	729,572	802,203
Post-employment health benefits related	5,657	29,844	35,501
<b>Total Deferred Outflows of Resources</b>	<b>78,288</b>	<b>759,416</b>	<b>837,704</b>
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	2,723	346	3,069
Accrued compensation	43,126	277,386	320,512
<b>Total Current Liabilities</b>	<b>45,849</b>	<b>277,732</b>	<b>323,581</b>
<b>Noncurrent Liabilities:</b>			
Accrued compensated absences	8,100	-	8,100
Retirement payable, net of current portion	20,000	-	20,000
Net pension liability	523,211	2,969,932	3,493,143
Post-employment health benefits (OPEB)	9,283	52,693	61,976
<b>Total Noncurrent Liabilities</b>	<b>560,594</b>	<b>3,022,625</b>	<b>3,583,219</b>
<b>Deferred Inflows of Resources:</b>			
Pension related	102,273	16,772	119,045
Post-employment health benefits related	14,007	34,181	48,188
<b>Total Deferred Inflows of Resources</b>	<b>116,280</b>	<b>50,953</b>	<b>167,233</b>
<b>Net Position:</b>			
Invested in Capital Assets	66,180	280,581	346,761
Restricted for:			
TABOR	15,000	88,000	103,000
Unrestricted	(227,183)	(1,544,342)	(1,771,525)
<b>Total Net Position</b>	<b>(146,003)</b>	<b>(993,295)</b>	<b>(1,139,298)</b>
<b>Total liabilities and net position</b>	<b>576,720</b>	<b>2,358,015</b>	<b>2,934,735</b>

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Combining Statement of Activities**  
**Discretely Presented Component Units**  
**June 30, 2025**

	<b>Guffey Charter School</b>	<b>Lake George Charter School</b>	<b>Total</b>
<b>REVENUES</b>			
Property taxes, levied for general purposes	414,883	1,991,461	2,406,344
Grants and contributions not restricted to specific programs	25,754	246,615	272,369
Charges for services	-	84,718	84,718
Operating grants	52,014	689,855	741,869
Capital grants	2,924	-	2,924
Interest and investment earnings	12,092	18,738	30,830
Total revenues	<u>507,667</u>	<u>3,031,387</u>	<u>3,539,054</u>
<b>EXPENDITURES</b>			
Current:			
Direct instruction	281,982	2,140,941	2,422,923
General administration	114,755	796,350	911,105
Support services	738	55,761	56,499
Custodial and maintenance	36,550	90,925	127,475
Transportation	537	4,558	5,095
Food service	7,325	87,735	95,060
Total expenditures	<u>442,705</u>	<u>3,176,270</u>	<u>3,618,975</u>
<b>CHANGE IN NET POSITION</b>	64,962	(144,883)	(79,921)
<b>NET POSITION, BEGINNING</b>	<u>(210,965)</u>	<u>(848,412)</u>	<u>(1,059,377)</u>
<b>NET POSITION, ENDING</b>	<u><u>(146,003)</u></u>	<u><u>(993,295)</u></u>	<u><u>(1,139,298)</u></u>

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

Park County School District RE-2

Notes to the Financial Statements



**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**

**I. Summary of Significant Accounting Policies**

The Park County School District RE-2 (the "District") is located within Park County, Colorado. The District provides services to approximately 552 students. This includes students at the District's two charter schools, Guffey Charter School and Lake George Charter School. The District's mission is to *"strive to provide a safe environment, meaningful opportunities and innovative educational programs for all students so that they reach their learning potential, including that they meet or exceed state and District content standards, through partnership between home, school and the community"*. The District operates the following schools:

**Elementary Schools**

Edith Teter Elementary School  
Guffey Charter School  
Lake George Charter School

**Middle Schools**

South Park Middle School

**High School**

South Park High

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

**A. Reporting Entity**

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District and its component units, entities for which the District is considered to be financially accountable.

**Component Units - Charter Schools**

On June 3, 1993, the Colorado State Legislature passed a statute, known as the Charter School Act (the "Act"), allowing the creation of public, non-sectarian, non-religious, non-home-based schools to operate within a public school district. The schools, known as charter schools, allow for groups of parents, teachers, and community members to operate a school in a semi-autonomous environment. Under the Act, charter schools operate according to an approved charter application that serves as a contract between the charter school and the District's Board.

In 1995 the District approved a charter application through a resolution, allowing for the creation of the Lake George / Guffey Charter School. The charter contract was later amended to separate the schools into the Lake George Charter School and the Guffey Charter School.

Lake George and Guffey Charter Schools are included in the District's reporting entity because of the nature and significance of their operational and financial relationships with the District. Both schools have been consolidated and are discretely presented component units to the District.

Individual financial statements can be obtained from: Guffey Community Charter School, 1459 Main St., Guffey CO 80820 and Lake George Charter School, P.O. Box 420, Lake George, CO 80827.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. District-wide and Fund Financial Statements**

The District's basic financial statements include both District-wide (financial activities of the overall District and its component units, except for fiduciary activities) and fund financial statements (reporting the District's major funds). Both the District-wide and fund financial statements categorize primary activities as governmental. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

**1. District-wide Financial Statements**

In the District-wide Statement of Net Position, the governmental activities and component unit activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The District-wide Statement of Activities reports the gross and net cost of the District's functions. The functions are also supported by general governmental revenues (property taxes, intergovernmental revenue, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs by function are normally covered by general revenue (property taxes, interest income, etc.).

The District-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**2. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements (continued)**

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund. The District reports the following special major revenue funds:

The *Student Activity Fund* accounts for the revenues and expenditures of funds used in student sports, clubs, and extracurricular activities. The primary source of funding is fees related to participation in the particular revenue.

The *Food Service Fund* accounts for the activities of the District's school lunch programs.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The *Capital Reserve Fund* accounts for acquisitions of capital items.

The *Bond Redemption Fund* accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The District reports the following fiduciary funds:

The *Scholarship Fund* accounts for assets held by the District as an agent for student scholarships.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**1. Long-term Economic Focus and Accrual Basis**

Governmental in the government-wide financial statements and fiduciary financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

**2. Investments**

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**2. Investments (continued)**

The District's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**3. Receivables**

Receivables are reported net of an allowance for uncollectible accounts.

**4. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue on the fund financial statements.

**5. Inventories**

Inventories recorded in the *Food Services Fund* consist of purchased and donated commodities. Purchased inventories are valued at cost, while donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt using the first-in, first-out method.

**6. Interfund Receivables and Payables**

Balances at year-end between funds are reported as "due from / due to other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the district-wide financial statements.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. 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.

**8. Defined Benefit Other Post Employment Benefit (OPEB) Plan**

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.

**9. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items that qualify for reporting under this category on the Statement of Net Position. The two items are the collective deferred outflows of resources related to the District's net pension obligation and other post-employment benefit obligations ("OPEB"). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension or OPEB liability in future periods.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**9. Deferred Outflows and Inflows of Resources (continued)**

Deferred inflows of resources represent an acquisition of net assets that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Deferred revenue reported in the governmental balance sheet is deferred and recognized as an inflow of resources in the period that the amounts become available. Collective deferred inflows related to the District's net pension obligation and other post-employment benefits obligations are reported on the Statement of Net Position and are amortized over the average service lives of participants. See Note IV (G) below for discussion on pension related deferred outflows and inflows.

**10. Capital Assets**

Capital assets, which include buildings and improvements, equipment, and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and in the proprietary fund financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15 - 40
Equipment	3 - 7
Vehicles	3 - 10

**11. Compensated Absences and Early Retirement**

Earned but unused sick and personal leave and early retirement benefits are accrued when incurred in the government-wide financial statements. The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

**12. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**13. Fund Equity**

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification with the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balances classifications refer to Note IV.H.

**E. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Restricted and Unrestricted Resources**

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

**II. Reconciliation of District-wide and Fund Financial Statements**

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the District-wide Statement of Net Position. Additionally, the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the District-wide Statement of Activities.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. On or about December 1, the Superintendent submits to the Board of Education a five-year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31<sup>st</sup>, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

During the year, the District's Capital Reserve and Scholarship Fund expenditures exceeded appropriations. The District did not budget the Debt Service Fund. The District adopted a budget in the Food Service Fund that reflected a net decrease in fund balance in excess of the fund's available beginning fund balance. As a result, the adopted budget did not demonstrate sufficient available resources to fund the planned appropriations. This may be a violation of Colorado State Statute.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenues gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. The District has reserved \$304,250 of its June 30, 2025 year-end General Fund balance for emergencies as required under TABOR.

On November 3, 1998, the District's electorate approved to: *"allow the District to collect, keep, and expend revenue from any sources received without regard to any spending, revenue raising, or other limitation on Article X, Section 20 of the Colorado constitution or other laws of the State."*

The District believes it is in compliance with the requirements of the TABOR Amendment. However, the TABOR Amendment is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

**C. Mill Levy Override**

In 2004 the District's electorate approved *an additional mill levy to increase property taxes by \$207,000 annually for the following purposes:*

- *Maintaining optimal teacher / pupil ratios*
- *Developing and improving curricula*
- *Attracting, training and retaining quality staff*

On November 2, 2021, the District's electorate approved to: *"increase taxes up to \$1.07 million annually, beginning in tax year 2021 for collection in 2022, and by whatever amounts may be collected each year thereafter, from a mill levy increase not to exceed 2.75 mills, to be used for the following educational purposes:*

- *Offer a vocational /technical trade program;*
- *Offer educational opportunities for our students that will increase graduation rates and allow students to be better prepared for individual paths after graduation;*
- *Attract and retain quality teachers;*
- *Attract and retain quality staff in all departments, such as transportation, food service, and maintenance;*
- *Increase mental health support availability for all students and staff;*
- *Improve technology availability;*

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**C. Mill Levy Override (continued)**

- *Increase educational opportunities for students through advanced placement classes, enhancement of band programming, and additional extracurricular offerings, such as drama and debate;*
- *Strengthen athletic programming;*
- *Increase bus safety through up-to-date technology equipment and purchases new buses; and,*
- *Improve all programming for Lake George and Guffey Charter Schools.*

*Such tax to be an additional property tax mill levy override, pursuant to and in accordance with Section 22-54-108, C.R.S., as it currently exists or may be amended, in excess of the levy authorized for the District’s general fund; and the revenues received from such increased mill levy, and any earnings from the investment of such revenues, will be received, invested, and spent by the District in any year without regard to any spending, revenue-raising, or other limitation imposed by, or contained in, Article X, Section 20 of the Colorado Constitution or other applicable law, such amounts to constitute a voter approved waiver of such limitations.*

This revenue is shown on the financial statements as property tax revenue.

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the District’s deposits at each financial institution. Deposit balances for accounts over \$250,000 are collateralized as required by PDPA. The carrying amount of the District’s demand deposits was \$2,431,130 at year end.

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2025, the District had the following investments:

<b>Investments Measured at Net Asset Value</b>	<b>Total</b>
Colostrust	\$ 7,941,834

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

The District is governed by the deposit and investment limitations of state law. The deposits and investment balances at June 30, 2025, are as follows:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>One to Five Years</u>
<i>Deposits:</i>				
Checking Accounts		\$ 2,399,457	2,399,457	-
Savings Accounts		31,673	31,673	-
<i>Investments:</i>				
Investment Pool	AAAm	7,941,834	7,941,834	-
		<u>\$ 10,372,964</u>	<u>10,372,964</u>	<u>-</u>

At June 30, 2025, the District was invested in the Colorado Government Liquid Asset Trust (“COLOTRUST”), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST. The pool operates in conformity with the Securities and Exchange Commission’s Rule 2a-7 with each share equal in value to \$1.00.

Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

*Interest Rate Risk.* The District limits investments maturities as required by state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes require the District to limit maturities to five years from the date of purchase. Maturities of investments held at June 30, 2025, are provided in the previous schedule. The District coordinates its investment maturities to closely match cash flow needs.

*Credit Risk.* State law specifies instruments in which local governments may invest including obligations of the United States, certain U.S. governmental agency securities, local government investment pools, and commercial paper among other items. The District’s general investment policy is to invest surplus funds in accordance with state law to ensure the preservation of capital, to ensure that adequate funds are available at all times to meet the financial obligations of the District when due, and to realize rates of return on invested funds which are comparable to market levels.

*Concentration of Credit Risk.* The District diversifies its investments by security type and institution. The District places no limit on the amount it may invest in any one issuer.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables as of year-end for the District's governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Bond Redemption Fund</u>	<u>Total Governmental Funds</u>
Receivables:				
Taxes	\$ 629,575	-	32,813	662,388
Accounts	160,039	21,875	-	181,914
Other	838,246	-	-	838,246
Intergovernmental	291,412	-	5,067	296,479
Gross receivables	<u>1,919,272</u>	<u>21,875</u>	<u>37,880</u>	<u>1,979,027</u>
Less: allowance for uncollectible	-	-	-	-
<b>Net Receivables</b>	<u>\$ 1,919,272</u>	<u>21,875</u>	<u>37,880</u>	<u>1,979,027</u>

Governmental funds report property tax receivable for property taxes levied in fiscal year 2025 but not available until 2026.

**C. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	30,150	(30,150)	-
Land	-	-	-	-
Total capital assets, not being depreciated	<u>-</u>	<u>30,150</u>	<u>(30,150)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,135,069	392,598	-	39,527,667
Vehicles	1,126,928	201,000	(107,500)	1,220,428
Equipment	581,959	64,538	-	646,497
Total capital assets being depreciated	<u>40,843,956</u>	<u>658,136</u>	<u>(107,500)</u>	<u>41,394,592</u>
Total capital assets - Cost	<u>40,843,956</u>	<u>688,286</u>	<u>(137,650)</u>	<u>41,394,592</u>
Less: accumulated depreciation for:				
Buildings and improvements	(10,879,970)	(1,021,734)	-	(11,901,704)
Vehicles	(1,062,648)	(38,127)	107,500	(993,275)
Equipment	(349,967)	(64,728)	-	(414,695)
Total accumulated depreciation	<u>(12,292,585)</u>	<u>(1,124,589)</u>	<u>107,500</u>	<u>(13,309,674)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 28,551,371</u>	<u>(436,303)</u>	<u>(30,150)</u>	<u>28,084,918</u>

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**C. Capital Assets (continued)**

The District had the following capital outlay and depreciation expense for the following functions and business-type activities:

	<b>Capital Outlay</b>	<b>Depreciation Expense</b>
<b>Governmental activities:</b>		
Direct instruction	\$ 392,598	1,052,603
Indirect instruction	64,538	15,266
Transportation	201,000	36,384
Custodial and maintenance	-	9,200
General administration	-	11,136
<b>Total governmental activities</b>	<b>\$ 658,136</b>	<b>1,124,589</b>

**D. Interfund Receivables, Payables, and Transfers**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers for fiscal year 2025 were as follows:

	<b>Transfer In</b>	<b>Transfer (out)</b>	<b>Reason</b>
General Fund	\$ -	(166,773)	To fund operations in other funds
Student Activity Fund	16,155	-	Additional funding
Capital Reserve Fund	2,618	-	Additional funding
Food Service Fund	148,000	-	Transfer of food service salaries
	<b>\$ 166,773</b>	<b>(166,773)</b>	

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Long-term Debt**

**1. General Obligation Bonds, Series 2010**

On November 3<sup>rd</sup>, 2009 the District's electorate approved an increase in District General Obligation Debt of \$16,000,000 with a commensurate increase in property taxes of \$1,470,000 annually for the replacement of the District's Elementary School, Middle School, High School, and Lake George Charter building along with various other District facilities. Approval was contingent upon an award of a Building Excellent Schools Today ("BEST") grant by the Colorado Department of Education. As a result of the ballot question being approved, the following transactions occurred:

- i. On February 24, 2010 approved a resolution authorizing the District to enter into a "site lease" whereby the District's school property was leased to Zion's First National Bank solely in its capacity as Trustee. The Term expires on March 16, 2050 or completion of several other events. The Site Lease does not require any ongoing rent payments.
- ii. On March 16, 2010 the District issued a General Obligation Bond, Series 2010 for \$15,060,382. The proceeds were provided to the State of Colorado and matched with grant proceeds of \$15,060,382 for construction of school facilities on the "site lease" (see Note V.G.1, below). The bond includes payments on June 1<sup>st</sup> and March 1<sup>st</sup> totaling \$1,102,881 annually. The final maturity date for the bond shall be December 1, 2029. The bond carries an interest rate of 3.84% and is subject to optional redemption in whole on June 1, 2021 with a redemption premium of 3%.
- iii. On March 16, 2010, Zion's Bank in its capacity as Trustee signed an agreement to lease to the State of Colorado the site property along with any improvements on the property.
- iv. On March 16, 2010, the District entered into a sublease with the State of Colorado for the site property. The sublease requires the District to provide the proceeds of its General Obligation Bond, Series 2010 as base rent. The agreement also requires the District to complete construction of the District's buildings in accordance with agreed upon specifications. The construction is paid from State funds including the District's General Obligation Bond Series 2010.

On December 16, 2010 the Lake George Charter School participated in the BEST Program as detailed in the previous note. As a result, the Series 2010D-F Bonds were issued for \$939,550. The bonds carry a coupon interest rate of 4.082% and require annual principal payments on December 1 and semiannual interest payments on June 1 and December 1. The bonds mature on December 1, 2030.

On November 22, 2021, the District entered into a Payment Schedule Amendment Agreement with the State of Colorado, which lowered the coupon interest rate to 1.793592% per annum on the remaining payments through December 1, 2030.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**2. Schedule of Future Debt Payments**

The District's future annual debt service requirements are as follows:

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 981,676	91,835	1,073,511
2027	1,000,569	72,745	1,073,314
2028	1,019,856	53,259	1,073,115
2029	1,039,542	33,368	1,072,910
2030	1,059,638	13,062	1,072,700
2031	68,690	1,402	70,092
<b>Totals</b>	<u>\$ 5,169,971</u>	<u>265,671</u>	<u>5,435,642</u>

**3. Compensated Absences and Early Retirement**

The District has a policy for the accumulation of sick and personal leave payouts. This policy is subject to certain limits, which are established by the Board, and are based on the employee's length of service with the District.

After the completion of twenty-four years of full-time service (but prior to twenty-seven years), twenty years of which must be consecutive, employees are eligible to retire and receive 125% of their highest annual salary over the five-year period subsequent to retirement.

The estimated liability for compensated absences and early retirement for all employees is recorded in governmental activities in the Statement of Net Position. These liabilities for governmental activities are generally liquidated by the General Fund.

**4. Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year June 30, 2025:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance June 30, 2025</u>	<u>Due in one Year</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 6,133,135	-	(963,164)	5,169,971	981,676
Capital leases	-	-	-	-	-
Compensated absences	176,905	41,981	103,801	322,687	32,302
Net pension liability	11,389,438	1,336,891	(2,706,731)	10,019,598	-
Net OPEB Liability	275,008	-	(97,317)	177,691	-
<b>Total</b>	<u>17,974,486</u>	<u>1,378,872</u>	<u>(3,663,411)</u>	<u>15,689,947</u>	<u>1,013,978</u>

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**5. Defeased Debt**

At various dates in prior years, the District placed proceeds from refunding bond issues and District cash contributions in irrevocable refunding escrow accounts. These monies, which are invested in U.S. Treasury obligations, together with interest earned thereon, are considered sufficient for payment of all principal and interest on refunded bonds on each remaining payment date. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issue appears remote. Accordingly, the escrow account and refunded bond are not included in the District's financial statements. The District has not calculated the amount of defeased debt at June 30, 2025.

**6. Trust Agreement**

Colorado State Statutes require that all property taxes levied for the purpose of satisfying bonded indebtedness be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with American National Bank in order to meet this requirement.

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

*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 comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times 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 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent 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 percent 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 percent 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 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Contribution 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 percent of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$937,744 for the year ended June 30, 2025.

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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 total pension liability 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 non-employer contributing entity.

At June 30, 2025, the District reported a liability of \$10,019,598 for its proportionate share of the net pension liability that reflected a reduction 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	\$10,019,598
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	825,753
Total	\$10,845,351

At December 31, 2024, the District's proportion was 0.0581%, which was a decrease of -0.0063% from its proportion measured as of December 31, 2023.

*Pension Expense:* For the year ended June 30, 2025, the District recognized pension expense of \$1,908,727 and revenue of \$82,136 for support from the State as a nonemployer contributing entity.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience earnings on pension plan investments	567,393	-
Changes in proportionate share of contributions	189,042	-
Contributions subsequent to the measurement date	1,405,052	724,954
	517,632	-
Total	\$ 2,754,237	\$ 724,954

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

\$517,632 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:

<b>Year Ended</b>	<b>Amortization</b>
<u>June 30,</u>	<u></u>
2026	223,951
2027	418,092
2028	1,004,432
2029	(134,824)
<b>Total</b>	<u><u>\$ 1,511,651</u></u>

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

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

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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 Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	8.50%	7.60%
Real Estate	8.50%	4.10%
Alternatives	6.00%	5.20%
<b>Total</b>	<b>100.00%</b>	

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Actuarial assumptions (continued).* 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 percent.

*Discount rate.* The discount rate used to measure the TPL was 7.25 percent. 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 percent.
- 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 percent, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

*Actuarial assumptions (continued).* 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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	\$ 13,584,251	\$ 10,019,598	\$ 7,033,701

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources**

*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 C.R.S., as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

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

Enrollment in the PERACare 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 percent 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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

*DPS Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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 percent 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 \$46,933 for the year ended June 30, 2025.

*Liabilities:* At June 30, 2025, the District reported a liability of \$177,691 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 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 total OPEB liability to December 31, 2024. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

At December 31, 2024, the District proportion was 0.0372%, which was a decrease of -0.0014% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$61,479. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expenses and actual experience	-	39,196
Change of assumptions or other inputs	2,038	56,799
Net difference between projected and actual earnings on plan investments	603	-
Changes in proportionate share of contributions	32,386	51,754
Contributions subsequent to measurement date	23,338	-
	<b>58,365</b>	<b>147,749</b>

\$23,338 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:

<b>Year Ended June 30,</b>	<b>Amortization</b>
2026	(30,348)
2027	(21,700)
2028	(21,648)
2029	(16,047)
2030	(16,809)
2031	(6,170)
	<b>(112,722)</b>

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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%

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

*Actuarial assumptions (continued).* The 2024 Medicare Part A premium is \$505 per month.

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

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued).* The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

<b>Year</b>	<b>PERACare Medicare Plans<sup>1</sup></b>	<b>MAPD PPO #21</b>	<b>Medicare Part A Premiums</b>
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions(continued).*

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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.

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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
- Rate of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience
- Participations 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.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued).*

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

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

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	8.50%	7.60%
Real Estate	8.50%	4.10%
Alternatives	6.00%	5.20%
<b>Total</b>	<b>100.00%</b>	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERA Care Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate Share of Net OPEB Liability	172,904	177,691	183,110

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

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Discount rate.* The discount rate used to measure the TOL was 7.25 percent. 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process Park Country 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)**

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate Share of Net OPEB Liability	217,764	177,691	143,145

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**H. Fund Balance Disclosure**

The District classifies governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, long-term portions of loans receivable, etc.

*Spendable Fund Balance:*

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. At June 30, 2025, the District reported \$304,250 of restricted equity for emergencies as required by TABOR and \$2,493,585 has been restricted for the payment of general obligation debt.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the School Board of the District. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the District's platform to review, and/or make changes to each department's budget. The budget is formally presented to the School Board of the District via an advertised public process for their review, revisions and final approval by year-end. All subsequent budget requests made during the year, after School Board approval, must be presented via a public process and again approved by the School Board of the District.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the School Board of the District, or its management designees.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**H. Fund Balance Disclosure (continued)**

*Unassigned* – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts when expenditures are made. The District does not have an adopted minimum fund balance policy; however, the District's budget includes calculations of targeted reserve positions, which is reported annually to the School Board of the District.

**V. Other Information**

**A. Defined Contribution Pension Plan – Voluntary Investment Program**

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

*Funding Policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the year ended June 30, 2025.

**B. 403(b) Defined Contribution Pension Plan**

*Plan Description.* The District offers participation in an independent 403(b) retirement savings plan. All employees are eligible except student teachers. Contribution limits are set by the IRS. The District contracts with AXA Equitable Life Insurance Company as Plan Administrator. The District makes minimal contributions to the plan for a limited segment of grandfathered employees.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**V. Other Information (continued)**

**C. Contingencies**

**1. General Legal Matters**

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2025.

**2. Federal Programs**

Funds received from Federal grants are subject to audit and disallowance on ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2025.

**3. State Programs**

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. Management does not feel that any potential adjustments would be material and that they would affect the fairness of presentation of the financial statements at June 30, 2025.

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**V. Other Information (continued)**

**D. Jointly Governed Organization - BOCES**

The District, together with nine other school districts, participates in the Mountain Board of Cooperative Educational Services (the “BOCES”). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. Administrative costs are borne equally by the districts. Services by BOCES are charged to each district based upon individual needs and the student population.

The Board of the BOCES consists of one member of the Board of Education of each participating district. Each district has equal voting rights in the decisions of the BOCES.

The BOCES has issued its own audited financial statements for the year ended June 30, 2024, the latest available data. The following summary information is presented:

Assets	\$ 2,583,998
Liabilities	<u>(2,474,219)</u>
Net Position	<u>\$ 109,779</u>
Expenses	\$ (4,650,309)
Program Revenues	4,612,465
General Revenues	<u>44,558</u>
Change in Net Position	<u>6,714</u>
Net Position - Beginning	103,065
Net Position - Ending	<u>\$ 109,779</u>

For the years ended June 30, 2025 and 2024, the District made operating contributions of \$153,103 and \$127,263, respectively, to BOCES.

**E. Risk Management**

**Risk of Loss:** The District is exposed to various risks of loss related to workers’ compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage. For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance coverage.

**Pupil Counts:** Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute(s), including information regarding students’ funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

**Park County School District RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(Continued)**

**V. Other Information (continued)**

**E. Risk Management**

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits.

The District believes its pupil count information is accurate and any adjustment would not be material.

**F. Colorado Department of Education Financing – Interest Free Loan Program**

The Colorado Department of Education allows school districts to borrow funds up to the next year's estimated property tax collections for the specific district to cover operating expenditures. The program was established to assist districts who receive the majority of their program funding through local property taxes. Most property tax revenues are not received by school districts until the last four months of the fiscal year resulting in a cash flow deficit. The loans are repaid to the State as property taxes are collected.

In the fiscal year 2025, the District did not obtain any financing from the State of Colorado in order to meet the District's obligations.

Park County School District RE-2  
Required Supplementary Information



**Park County School District RE-2**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual (GAAP Basis)**  
**General Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	2025			Final Budget Variance Positive (Negative)	2024
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>					
Taxes:					
Property taxes	6,983,367	6,983,367	7,356,896	373,529	7,603,383
Specific ownership taxes	900,000	900,000	985,237	85,237	892,351
State intergovernmental revenue	680,129	680,129	805,496	125,367	843,155
Federal intergovernmental revenue	587,003	587,003	434,106	(152,897)	503,262
Investment income	334,000	334,000	242,488	(91,512)	223,272
Other	212,570	212,570	358,244	145,674	377,896
Total revenues	<u>9,697,069</u>	<u>9,697,069</u>	<u>10,182,467</u>	<u>485,398</u>	<u>10,443,319</u>
<b>EXPENDITURES</b>					
Direct instruction	5,415,932	5,415,932	5,126,677	289,255	5,246,957
Indirect instruction	560,443	560,443	584,158	(23,715)	548,479
Transportation	342,540	342,540	281,477	61,063	316,524
Custodial and maintenance	1,389,844	1,389,844	1,233,005	156,839	1,159,548
Support services	662,235	662,235	667,288	(5,053)	604,912
General administration	1,105,753	1,105,753	1,201,228	(95,475)	1,144,068
Community service	3,250	3,250	-	3,250	1,409
Capital outlay	1,060,299	1,060,299	721,233	339,066	352,866
Contingency	150,000	150,000	-	150,000	-
Total expenditures	<u>10,690,296</u>	<u>10,690,296</u>	<u>9,815,066</u>	<u>875,230</u>	<u>9,374,763</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(993,227)</u>	<u>(993,227)</u>	<u>367,401</u>	<u>1,360,628</u>	<u>1,068,556</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	<u>(130,820)</u>	<u>(130,820)</u>	<u>(166,773)</u>	<u>(35,953)</u>	<u>(131,653)</u>
Total other financing sources (uses)	<u>(130,820)</u>	<u>(130,820)</u>	<u>(166,773)</u>	<u>(35,953)</u>	<u>(131,653)</u>
<b>NET CHANGE IN FUND BALANCES - Budget Basis</b>	<u>(1,124,047)</u>	<u>(1,124,047)</u>	<u>200,628</u>	<u>1,324,675</u>	<u>936,903</u>
<b>Reconciliation to GAAP Basis:</b>					
Pension direct distribution - Special funding			82,136		19,027
Pension expense - Special funding			(82,136)		(19,027)
<b>NET CHANGE IN FUND BALANCE - GAAP Basis</b>	<u>(1,124,047)</u>	<u>(1,124,047)</u>	<u>200,628</u>	<u>1,324,675</u>	<u>936,903</u>
<b>FUNDS BALANCES, BEGINNING</b>			6,446,883		5,509,980
<b>FUND BALANCES, ENDING</b>			<u>6,647,511</u>		<u>6,446,883</u>

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**Student Activity Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	<u>2025</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2024</u>
	<u>Original and Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
<b>REVENUES</b>				
Other	40,000	85,685	45,685	94,416
Total revenues	<u>40,000</u>	<u>85,685</u>	<u>45,685</u>	<u>94,416</u>
<b>EXPENDITURES</b>				
Current:				
Student activities	115,000	83,187	31,813	185,257
Total expenditures	<u>115,000</u>	<u>83,187</u>	<u>31,813</u>	<u>185,257</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(75,000)</u>	<u>2,498</u>	<u>77,498</u>	<u>(90,841)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	75,000	16,155	(58,845)	55,100
Total other financing sources (uses)	<u>75,000</u>	<u>16,155</u>	<u>(58,845)</u>	<u>55,100</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>18,653</u>	<u>18,653</u>	<u>(35,741)</u>
<b>FUND BALANCES, BEGINNING</b>		<u>65,334</u>		<u>101,075</u>
<b>FUND BALANCES, ENDING</b>		<u><u>83,987</u></u>		<u><u>65,334</u></u>

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual (GAAP Basis)**  
**Food Service Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	2025			Final Budget Variance Positive (Negative)	2024
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>					
Food and Ala carte sales	70,000	70,000	12,234	(57,766)	10,573
Federal aid:					
Federal government meal reimbursement	-	-	103,025	103,025	115,141
USDA Commodity contribution	35,000	35,000	18,576	(16,424)	9,431
State reimbursement	3,500	3,500	122,859	119,359	123,815
Interest income	200	200	-	(200)	-
Total revenues	<u>108,700</u>	<u>108,700</u>	<u>256,694</u>	<u>147,994</u>	<u>258,960</u>
<b>EXPENDITURES</b>					
Salaries and employee benefits	243,552	243,552	240,712	2,840	171,903
Purchased services	2,000	2,000	2,355	(355)	1,124
Supplies	16,900	16,900	25,853	(8,953)	22,177
Food costs:					
Purchased food	156,000	156,000	102,547	53,453	114,742
Donated commodities	3,000	3,000	18,649	(15,649)	9,431
Property	15,000	15,000	-	15,000	-
Capital outlay	30,000	30,000	14,490	15,510	16,136
Total expenditures	<u>466,452</u>	<u>466,452</u>	<u>404,606</u>	<u>61,846</u>	<u>335,513</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(357,752)</u>	<u>(357,752)</u>	<u>(147,912)</u>	<u>209,840</u>	<u>(76,553)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	-	-	148,000	148,000	76,553
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>148,000</u>	<u>148,000</u>	<u>76,553</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(357,752)</u>	<u>(357,752)</u>	88	<u>357,840</u>	-
<b>FUND BALANCE, BEGINNING</b>			<u>12,854</u>		<u>12,854</u>
<b>FUND BALANCE, ENDING</b>			<u>12,942</u>		<u>12,854</u>

**Park County School District RE-2**  
**Schedule of District's Proportionate Share of the Net Pension Liability**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.0581%	0.0644%	0.0552%	0.0567%	0.0704%	0.0607%	0.0562%	0.0616%	0.0594%	0.0600%
District's proportionate share of the net pension liability	10,019,598	11,389,438	10,052,547	6,604,198	10,642,178	9,072,497	9,952,674	19,910,452	17,696,463	9,180,472
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	825,753	244,378	2,268,383	679,223	-	1,021,204	1,197,191	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>\$ 10,845,351</u>	<u>\$ 11,633,816</u>	<u>\$ 12,320,930</u>	<u>\$ 7,283,421</u>	<u>\$ 10,642,178</u>	<u>\$ 10,093,701</u>	<u>\$ 11,149,865</u>	<u>\$ 19,910,452</u>	<u>\$ 17,696,463</u>	<u>\$ 9,180,472</u>
District's covered payroll	\$ 4,485,063	\$ 4,257,915	\$ 4,005,713	\$ 3,546,684	\$ 3,767,061	\$ 3,567,695	\$ 3,260,484	\$ 2,994,620	\$ 2,690,063	\$ 2,628,535
District's proportionate share of the net pension liability as a percentage of its covered payroll	223.4%	235.3%	251.0%	186.2%	282.5%	254.3%	305.3%	664.9%	657.85%	349.26%
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%	43.13%	59.16%

The accompanying notes to RSI are an integral part of these statements.

**Park County School District RE-2**  
**Schedule of District Contributions**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 937,744	\$ 905,098	\$ 848,484	\$ 745,799	\$ 704,593	\$ 740,624	\$ 591,121	\$ 529,144	\$ 483,637	\$ 453,335
Contributions in relation to the contractually required contribution	<u>\$ (937,744)</u>	<u>\$ (905,098)</u>	<u>\$ (848,484)</u>	<u>\$ (745,799)</u>	<u>\$ (704,593)</u>	<u>\$ (740,624)</u>	<u>\$ (591,121)</u>	<u>\$ (529,144)</u>	<u>\$ (483,637)</u>	<u>\$ (453,335)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,601,295	\$ 4,441,106	\$ 4,163,316	\$ 3,751,504	\$ 3,544,225	\$ 3,821,650	\$ 3,090,022	\$ 2,838,546	\$ 2,667,604	\$ 2,615,896
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.64%	18.13%	17.33%

The accompanying notes to RSI are an integral part of these statements.

**Park County School District RE-2**  
**Schedule of District's Proportionate Share of the Net OPEB Liability**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0372%	0.0385%	0.0372%	0.0371%	0.0407%	0.0385%	0.0365%	0.0350%
District's proportionate share of the net OPEB liability	\$ 177,692	\$ 275,009	\$ 342,965	\$ 319,512	\$ 387,085	\$ 445,982	\$ 497,083	\$ 454,393
District's covered payroll	\$ 4,485,063	\$ 4,257,915	\$ 4,005,713	\$ 3,546,684	\$ 3,767,061	\$ 3,567,695	\$ 3,260,484	\$ 2,994,620
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	4.0%	6.5%	8.6%	9.0%	10.3%	12.5%	15.2%	15.2%
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%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2017.

The accompanying notes to RSI are an integral part of these statements.

**Park County School District RE-2**  
**Schedule of District OPEB Contributions**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 46,933	\$ 45,300	\$ 42,466	\$ 38,266	\$ 36,151	\$ 38,980	\$ 31,518	\$ 28,953
Contributions in relation to the contractually required contribution	\$ (46,933)	\$ (45,300)	\$ (42,466)	\$ (38,266)	\$ (36,151)	\$ (38,980)	\$ (31,518)	\$ (28,953)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ 4,601,295	\$ 4,441,106	\$ 4,163,316	\$ 3,751,504	\$ 3,544,225	\$ 3,821,650	\$ 3,090,022	\$ 2,838,546
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

\* Information is only available beginning in fiscal year 2017.

The accompanying notes to RSI are an integral part of these statements.

**Park County School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA**

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

**1. Changes since the December 31, 2023 actuarial valuation:**

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$486,000 and \$20,000, respectively.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

**2. Changes since the December 31, 2022 actuarial valuation:**

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.
- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225,000,000 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 C.R.S. § 24-51-416, plus \$10,000,000 from the General Fund, totaling \$14,561,000.
- SB 23-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.
- 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.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**3. Changes since the December 31, 2021 actuarial valuation:**

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000,000 to \$35,000,000. The July 1, 2024, direct distribution will not be reduced from \$225,000,000 due to a negative investment return in 2022.
- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**4. Changes since the December 31, 2020 actuarial valuation:**

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**5. Changes since the December 31, 2019 actuarial valuation:**

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.
- HB 20-1394, enacted on June 29, 2020, requires 5.0% of the Judicial Division base employer contributions rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This does not apply to the employer or member contribution rates for judges employed by the Denver County Court.
- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of "State Trooper" under Colorado law as follows: ▪ Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
- New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and
- New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**6. Changes since the December 31, 2018 actuarial valuation:**

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**7. Changes since the December 31, 2017 actuarial valuation:**

- The following changes were made to the plan provisions as part of SB 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
  - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
  - An annual direct distribution of \$225,000,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
  - AI cap is lowered from 2.00% per year to 1.50% per year. ▪ Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.
  - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**8. Changes since the December 31, 2016 actuarial valuation:**

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**8. Changes since the December 31, 2016 actuarial valuation (continued):**

- Pursuant to HB 17-1265, the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) contribution rates are adjusted for employers in the Judicial Division as follows:
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(4.5) increased the AED payment to 3.40% of PERA-includable salary and requires the AED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the AED payment will be 5.00% of PERA-includable salary.
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(7.5) increased the SAED payment to 3.40% of PERA-includable salary and requires the SAED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the SAED payment will be 5.00% of PERA-includable salary.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**9. Changes since the December 31, 2015 actuarial valuation:**

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**10. Changes since the December 31, 2014 actuarial valuation:**

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As required under C.R.S. § 24-51-401(1.7)(e), PERA calculated and provided to the Colorado General Assembly an adjustment to the DPS Division's employer contribution rate to assure the equalization of the School Division's and the DPS Division's ratios of unfunded actuarial accrued liability to payroll as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

**B. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2023 actuarial valuation:**

- 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%.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**B. Changes to assumptions or other inputs (continued)**

**2. Changes since the December 31, 2022 actuarial valuation:**

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

**3. Changes since the December 31, 2021 actuarial valuation:**

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

**4. Changes since the December 31, 2020 actuarial valuation:**

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

**5. Changes since the December 31, 2019 actuarial valuation:**

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

**6. Changes since the December 31, 2018 actuarial valuation:**

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
  - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

**7. Changes since the December 31, 2017 actuarial valuation:**

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

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**B. Changes to assumptions or other inputs (continued)**

**8. Changes since the December 31, 2016 actuarial valuation:**

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

**9. Changes since the December 31, 2015 actuarial valuation:**

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

**10. Changes Since the December 31, 2014 Actuarial Valuation:**

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School (“DPS”) Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the School Division Trust Fund was lowered from 7.50% to 5.26% to reflect the changes to the projection’s valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

**II. Notes to the Required Supplementary Information – OPEB**

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

**1. Changes since the December 31, 2023 actuarial valuation:**

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (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 \$20,000 and \$486,000, respectively.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**II. Notes to the Required Supplementary Information – OPEB (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**2. Changes since the December 31, 2022 actuarial valuation:**

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

**3. Changes since the December 31, 2021 actuarial valuation:**

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

**4. Changes since the December 31, 2020 actuarial valuation:**

- There were no change made to the plan provisions.

**5. Changes since the December 31, 2019 actuarial valuation:**

- There were no change made to the plan provisions.

**6. Changes since the December 31, 2018 actuarial valuation:**

- There were no change made to the plan provisions.

**7. Changes since the December 31, 2017 actuarial valuation:**

- There were no change made to the plan provisions.

**8. Changes since the December 31, 2016 actuarial valuation:**

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.

**Park County School District RE-2**  
**Notes to Required Supplementary Information (continued)**  
**June 30, 2025**

**II. Notes to the Required Supplementary Information – OPEB (continued)**

**B. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2023 actuarial valuation:**

- 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.

**2. Changes since the December 31, 2022 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**3. Changes since the December 31, 2021 actuarial valuation:**

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

**4. Changes since the December 31, 2020 actuarial valuation:**

- There were no change made to the actuarial methods or assumption

**5. Changes since the December 31, 2019 actuarial valuation:**

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.B.6. above.

**6. Changes since the December 31, 2018 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**7. Changes since the December 31, 2017 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**8. Changes since the December 31, 2016 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

Park County School District RE-2

Supplementary Information



**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	2025		Final Budget Variance Positive (Negative)	2024
	Original and Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Taxes:				
Property taxes	-	629,901	629,901	611,562
Interest income	-	101,504	101,504	136,200
Total revenues	-	731,405	731,405	747,762
<b>EXPENDITURES</b>				
Debt service:				
Principal	-	963,164	(963,164)	945,025
Interest	-	110,538	(110,538)	128,863
Fiscal charges	-	6,515	(6,515)	7,673
Total expenditures	-	1,080,217	(1,080,217)	1,081,561
<b>NET CHANGE IN FUND BALANCES</b>	-	(348,812)	(348,812)	(333,799)
<b>FUND BALANCES, BEGINNING</b>		2,842,397		3,176,196
<b>FUND BALANCES, ENDING</b>		2,493,585		2,842,397

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**Capital Reserve Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	<u>2025</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2024</u>
	<u>Original and Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
<b>REVENUES</b>				
Other local income	40	940	900	1,027
Total revenues	<u>40</u>	<u>940</u>	<u>900</u>	<u>1,027</u>
<b>EXPENDITURES</b>				
Equipment	35,040	60,660	(25,620)	42,790
Total expenditures	<u>35,040</u>	<u>60,660</u>	<u>(25,620)</u>	<u>42,790</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(35,000)</u>	<u>(59,720)</u>	<u>(24,720)</u>	<u>(41,763)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	35,000	2,618	(32,382)	-
Total other financing sources (uses)	<u>35,000</u>	<u>2,618</u>	<u>(32,382)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>(57,102)</u>	<u>(57,102)</u>	<u>(41,763)</u>
<b>FUND BALANCES, BEGINNING</b>		<u>57,102</u>		<u>98,865</u>
<b>FUND BALANCES, ENDING</b>		<u>-</u>		<u>57,102</u>

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

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Revenues, Expenditures, and Changes in Fiduciary**  
**Net Position - Budget and Actual (GAAP Basis)**  
**Fiduciary Fund**  
**Scholarship Fund**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts For the Year Ended June 30, 2024)**

	2025		2024	
	Original and Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
<b>ADDITIONS</b>				
Programs	-	230	230	302
Total additions	-	230	230	302
<b>DEDUCTIONS</b>				
Programs	-	5,469	(5,469)	-
Total deductions	-	5,469	(5,469)	-
<b>CHANGE IN NET POSITION</b>	-	(5,239)	(5,239)	302
<b>NET POSITION, BEGINNING</b>		5,239		4,937
<b>NET POSITION, ENDING</b>		-		5,239

The accompanying notes are an part of these financial statements.

**PARK COUNTY SCHOOL DISTRICT RE-2**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule**  
**June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Governmental funds capital assets:</b>		
Buildings and improvements	39,527,667	39,135,069
Equipment	646,497	581,959
Vehicles	1,220,428	1,126,928
Total governmental funds capital assets	41,394,592	40,874,106

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

Park County School District RE-2

Statutory Information





**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2610 - Park County RE-2  
 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	6,446,883	9,861,893	9,661,264	6,647,512
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>6,446,883</b>	<b>9,861,893</b>	<b>9,661,264</b>	<b>6,647,512</b>
11 Charter School Fund	1,381,394	3,505,523	3,460,228	1,426,689
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	12,855	404,694	404,607	12,942
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	65,334	101,840	83,188	83,987
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,842,398	731,405	1,080,218	2,493,585
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	57,102	3,558	60,660	1
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>10,805,966</b>	<b>14,608,914</b>	<b>14,750,165</b>	<b>10,664,715</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	-230	230	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>-230</b>	<b>230</b>	<b>0</b>	<b>0</b>

FINAL