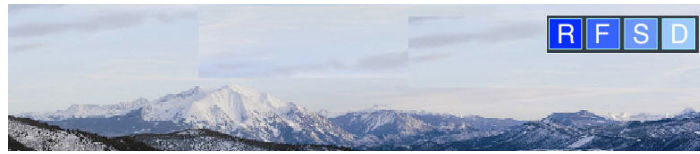


**Roaring Fork School District RE-1
Financial Report
For the Year Ended June 30, 2025**



**Roaring Fork School District RE-1
Financial Report
June 30, 2025**

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**Roaring Fork School District RE-1
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June 30, 2025**

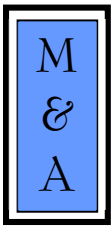
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McMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Roaring Fork School District
Carbondale, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Roaring Fork School District RE-1, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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 and, where applicable, cash flows thereof 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

We did not audit the financial statements of Two Rivers Community School, which represent 75 percent, 72 percent and 71 percent, respectively, of the assets/deferred outflows, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Two Rivers Community School, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Member: American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District**

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes 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.

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.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District**

Required Supplementary Information

U.S. GAAP require 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District**

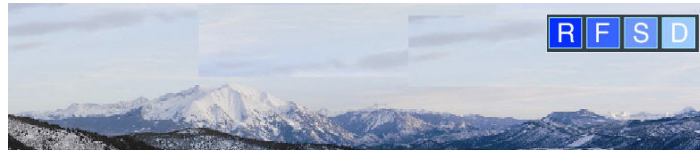
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
December 11, 2025

Roaring Fork School District RE-1

Management's Discussion and Analysis



**Roaring Fork School District RE-1
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2025**

As management of the Roaring Fork School District RE-1 (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

- On the Fund Financial Statements, as of June 30, 2025, total General Fund balance was \$18.7 million, an increase of \$1.8 million from the June 30, 2024 General Fund balance. Fund balance reserved under the provisions of TABOR was \$3.2 million, representing an increase of \$.3 million. Of the \$1.8 million increase in General Fund Balance, Unassigned Fund Balance increased by \$1.1 million, Preschool Fund balance increased \$.6 million, while Restricted/Assigned/TABOR netted a \$.2 million increase. The increase in General Fund balance in 2024/25 was due to the following: 1. Reductions in expenditures mid-year to offset known losses; 2. Maintaining \$2.2 million included in the budget in carryover dollars for school, staff education, and curricular purposes; 3. Reducing the Health Insurance Fund General Fund Transfer by \$.8 million due to implementing stop loss measures to reduce exposure to losses during the transition of this program, and 4. An increase in the Preschool Fund Balance totaling \$.6 million.
- The total Governmental Funds fund balance was \$35.6 million compared to \$40.8 million for the prior year. The decrease in fund balance was due to the spend down of Capital Reserve Funds for the Meadowood project.
- On the District-wide Financial Statements, the liabilities of the District exceeded its assets as of June 30, 2025 by \$32.7 million (net position) compared to \$28.4 million for the prior year. The decrease in net position is due primarily to an increase in the District's allocated share of the Colorado Public Employees' Retirement Association (PERA) pension liability and deferred pension expenses net of deferred pension charges as well as an increase in debt service liabilities.

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 have three components: 1) District-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.

District-wide Financial Statements: The district-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 a private-sector business.

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).

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). The two categories reported in the District-wide financial statements are as follows:

- **Governmental activities:** Most of the District's basic services are reflected here, such as instructional services, support services and student activities. Other services include activities relating to building maintenance and operations, student transportation, food service, and technology and administration.
- **Business-type activities:** District housing is included under this heading.

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

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 proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's governmental funds include the General Fund, Food Service Fund, Designated Purpose Grant Fund, Capital Projects Capital Reserve Fund, Bond Redemption Fund and Pupil Activity Special Revenue Fund.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund 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 adopts an annual appropriated budget for all of its funds. Budgetary comparison statements 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.

Proprietary funds: The District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses an enterprise fund to account for its employee housing operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for health insurance costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the district-wide financial statements.

Proprietary Funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide financial reports for the District's housing fund which is considered to be a major fund of the District.

The basic major proprietary fund financial statements can be found on pages C7 through C9.

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the District's annual appropriated budgets.

District-wide Financial Statement Analysis

As noted earlier, net position may serve over time as a useful indicator of a district's financial position. For the year ended June 30, 2025, the District's total net position was (\$32,711,409), which included the District's net pension liability of \$125.3 million. This liability is the District's proportionate share of the School Division Trust Fund pension liability, administered by the Public Employees' Retirement Association of Colorado. This 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 following table provides a comparative summary of the District's net position as of June 30, 2025 and 2024:

Roaring Fork School District RE-1 Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Assets:						
Current and other assets	\$ 47,618,102	64,046,012	1,425,543	1,336,824	49,043,645	65,382,836
Capital assets	155,937,464	165,148,624	42,952,049	37,750,562	198,889,513	202,899,186
Total Assets	<u>\$ 203,555,566</u>	<u>\$ 229,194,636</u>	<u>44,377,592</u>	<u>39,087,386</u>	<u>247,933,158</u>	<u>268,282,022</u>
Deferred Outflows of Resources	<u>\$ 26,657,847</u>	<u>36,640,108</u>	<u>-</u>	<u>-</u>	<u>26,657,847</u>	<u>36,640,108</u>
Liabilities:						
Other liabilities	\$ 10,800,269	21,770,007	156,059	77,704	10,956,328	21,847,711
Long-term liabilities	294,362,621	307,312,400	-	-	294,362,621	307,312,400
Total Liabilities	<u>\$ 305,162,890</u>	<u>329,082,407</u>	<u>156,059</u>	<u>77,704</u>	<u>305,318,949</u>	<u>329,160,111</u>
Deferred Inflows of Resources	<u>\$ 1,983,465</u>	<u>4,147,733</u>	<u>-</u>	<u>-</u>	<u>1,983,465</u>	<u>4,147,733</u>
Net Position						
Net investment in capital assets	\$ 2,256,304	7,270,727	42,952,049	37,750,562	45,208,353	45,021,289
Restricted	16,948,495	15,783,947	-	-	16,948,495	15,783,947
Unrestricted	(96,137,741)	(90,450,070)	1,269,484	1,259,120	(94,868,257)	(89,190,950)
Total Net Position	<u>\$ (76,932,942)</u>	<u>(67,395,396)</u>	<u>44,221,533</u>	<u>39,009,682</u>	<u>(32,711,409)</u>	<u>(28,385,714)</u>

Of total assets, 77% are capital assets (e.g. land, buildings, and equipment) compared to 72% for the prior year. The District uses these assets to provide instruction and related services to its students.

Deferred outflows have decreased \$9.9 million due primarily to the calculation of deferred outflows related to the District's share of the PERA pension liability. Deferred outflows represent a consumption of net assets by the pension that actually relate to a future reporting period. In this case, the significant change results from modified actuarial assumptions used to determine deferred outflows. See further description on note IV.G.

Of total liabilities as of June 30, 2025, 42% represents the net pension liability and net OPEB liability (see description above), and 58% represents outstanding principal and unamortized premium on general obligation debt as well as accrued compensated absences.

Note that net position may serve as an indicator of the District's financial position over time. The District's net position has decreased by approximately \$4.3 million from the prior year.

District-wide Financial Analysis (continued)

In May of 2018, the Colorado Legislature passed Senate Bill 200. This bill is intended to bring PERA to a fully-funded status within thirty years. The legislation provides for increased contributions from employers and employees, implements an annual state budget contribution to PERA of \$225 million, modifies retirement benefits, and establishes an automatic adjustment provision if results are less favorable than current actuarial assumptions. Over time, these changes are expected to result in a reduction in the District’s share of the unfunded pension liability.

The following table presents a summary of activities and changes in net position for the fiscal years ended June 30, 2025 and 2024:

Roaring Fork School District RE-1 Summary of Activities and Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenues:						
<i>Program revenues</i>						
Charges for services	\$ 5,530,024	\$ 5,159,541	\$ 1,557,299	\$ 956,190	\$ 7,087,323	\$ 6,115,731
Operating grants and contributions	17,608,060	17,386,464	-	-	17,608,060	17,386,464
<i>General revenues</i>						
Property taxes	79,298,576	76,101,962	-	-	79,298,576	76,101,962
Specific ownership taxes	4,158,052	3,632,180	-	-	4,158,052	3,632,180
State revenue	21,263,527	19,019,153	-	-	21,263,527	19,019,153
Investment earnings	1,339,505	2,203,051	-	-	1,339,505	2,203,051
Other	1,109,080	1,004,205	-	-	1,109,080	1,004,205
Total revenues	<u>130,306,824</u>	<u>124,506,556</u>	<u>1,557,299</u>	<u>956,190</u>	<u>131,864,123</u>	<u>125,462,746</u>
Expenditures:						
Direct Instruction	69,816,413	67,667,274	-	-	69,816,413	67,667,274
Indirect Instruction	16,693,100	14,186,232	-	-	16,693,100	14,186,232
Transportation	3,431,337	3,563,756	-	-	3,431,337	3,563,756
Operations and maintenance	9,086,764	9,928,085	-	-	9,086,764	9,928,085
Support services	5,567,759	5,600,269	-	-	5,567,759	5,600,269
General and school administration	9,399,558	8,851,301	-	-	9,399,558	8,851,301
Student activities	3,399,967	2,891,905	-	-	3,399,967	2,891,905
Food services	3,724,377	3,171,735	-	-	3,724,377	3,171,735
Payments to component unit	8,397,063	7,844,647	-	-	8,397,063	7,844,647
Interest	4,153,148	5,148,008	-	-	4,153,148	5,148,008
Employee housing	-	-	2,520,332	1,260,750	2,520,332	1,260,750
Total Expenses	<u>133,669,486</u>	<u>128,853,212</u>	<u>2,520,332</u>	<u>1,260,750</u>	<u>136,189,818</u>	<u>130,113,962</u>
Change in net assets before transfers and other items	(3,362,662)	(4,346,656)	(963,033)	(304,560)	(4,325,695)	(4,651,216)
Transfers	(6,174,884)	(19,239,735)	6,174,884	19,239,735	-	-
Change in net position	<u>(9,537,546)</u>	<u>(23,586,391)</u>	<u>5,211,851</u>	<u>18,935,175</u>	<u>(4,325,695)</u>	<u>(4,651,216)</u>
Net position- July 1	<u>(67,395,396)</u>	<u>(43,809,005)</u>	<u>39,009,682</u>	<u>20,074,507</u>	<u>(28,385,714)</u>	<u>(23,734,498)</u>
Net position - June 30	<u>\$ (76,932,942)</u>	<u>\$ (67,395,396)</u>	<u>\$ 44,221,533</u>	<u>\$ 39,009,682</u>	<u>\$ (32,711,409)</u>	<u>\$ (28,385,714)</u>

Governmental Activities:

Change in Net Position

Net position from governmental activities decreased by \$9,537,547 as reflected above. This change is comprised of: 1. Assets moved to the Housing Fund from the Capital Project Fund, net of depreciation, totaling \$5,201,486; 2. A \$2,962,679 change in net pension obligations; 3. \$1,373,382 in other losses.

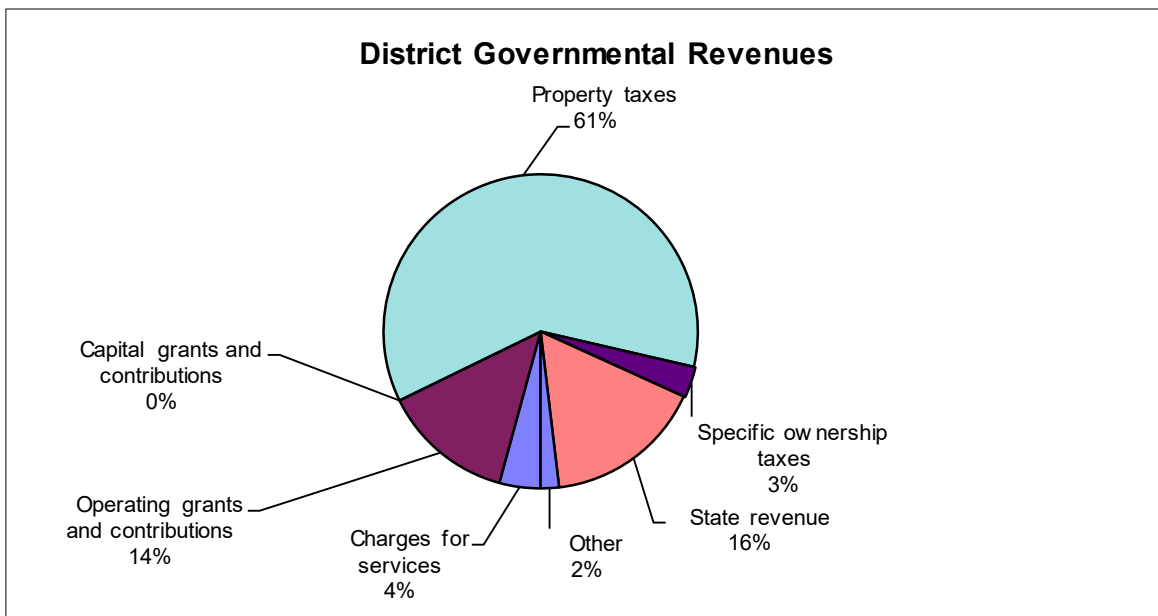
Business-Type Activities:

Business-type activities include the District’s employee housing program. The District’s housing fund’s net position increased by \$5,211,851 due to additional housing that was added to the Housing Fund during 2024-25.

Operating Revenues

The majority of school district operating revenues are generated from Total Program Funding as determined by the School Finance Act of 1994 (see further discussion in Economic Factors below). Total Program Funding is comprised of general fund property taxes, specific ownership taxes, and state equalization (a portion of state funding). Of the \$48.7 million in local property taxes reflected above, approximately 52% is generated under the School Finance Act, 18% is generated by additional voter-approved mill levy overrides, and 30% is generated by the bond redemption fund mill levy for the repayment of interest and principal on voter-approved debt.

The graph below summarizes total revenues by source for governmental activities:



Financial Analysis of the District's Funds

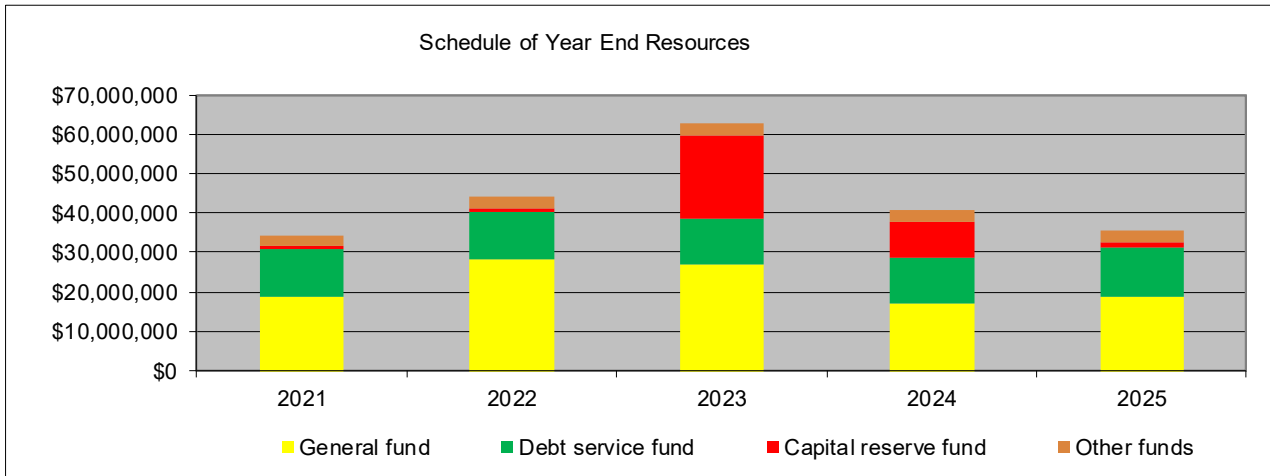
The District utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$35.6 million compared to \$40.8 million as of June 30, 2025. The decrease in fund balance was due to the spend down of Capital Reserve Funds for the Meadowood project.

Financial Analysis of the District's Funds (continued)

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



General Fund Analysis

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. Original and final adopted budgets, as well as variances between actual revenues, expenditures, and final budgeted amounts are reflected in the Required Supplementary Information beginning on page E1 of the audited financial statements. Excluding the temporary Building Fund, the most significant budgeted fund is the General Fund.

Differences between the original and final budget for the General Fund

State Law permits school districts to adopt budget revisions and supplemental appropriations for additional revenues received. There were two budget amendments legally adopted by the Board in 2024/25 by the statutory deadlines.

Variances between budgeted and actual revenues for the General Fund

As reflected on page E1, General Fund revenues exceeded budget by \$1.5 million. The primary contributors to this favorable budget variance include the following:

- \$.8 million increase in Specific Ownership taxes;
- \$.15 million increase in Investment Income;
- \$.4 million increase in other local revenue sources;
- Non-equalization State sources were higher than budget by \$.1 million overall.
- Federal sources were \$.1 million higher than budgeted due to increases in Medicaid reimbursements that are passed through to the Family Resource Center.

Significant Variances Between Budgeted and Actual General Fund Expenditures

Direct fund transfers and expenditures were under budget due to reductions in the Health Insurance Fund Transfer.

General Fund Budget – Fiscal year 2025/26:

The complete budget document can be viewed on the District's website at www.rfsd.k12.co.us.

Capital Assets

The District's governmental capital assets, net of accumulated depreciation, totaled \$155,937,464 and the business-type capital assets, net of accumulated depreciation, totaled \$42,952,049 as of June 30, 2025. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than \$5,000 and a 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 Statement on page D13 of this report.

Long-Term Debt

As of the end of the current fiscal year, the District's outstanding general obligation debt was \$149.7 million representing a decrease of approximately \$10 million from the prior year due to principal payments made.

Colorado School law limits the amount of bonded indebtedness to the greater of 20% of the most current valuation for assessment of the taxable property in the District as certified by the County Assessor's Office or 6% of the most recent actual valuation of the taxable property in the District, as certified by the County Assessor's Office. The District was below the limits as of June 30, 2025.

Additional information, as well as a detailed classification of the District's total long-term liabilities, can be found in the Notes to the Financial Statements on pages D15 through D21 of this report.

Economic Factors

The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school district based upon a formula that takes into account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk students, among other factors. The purpose of this act was to establish a financial base of support for public education, to move toward 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 under the School Finance Act are derived by the following formula:

$$\text{Total Program Funding} = \text{local property taxes} + \text{general specific ownership taxes} + \text{state equalization}$$

For fiscal year 2024/25, local property and specific ownership taxes comprised 72% of Total Program Funding (TPF) while state equalization generated 28%, close to the prior year.

In 2007, state legislation was passed to stabilize school district mill levies in order to address a growing revenue imbalance created by TABOR and the School Finance Act of 1994. The revenue limits in TABOR, which were repeated in the School Finance Act, had historically forced mill levies downward in districts, such as ours, when property values were rising. This resulted, to some degree, in the State being required to fund a higher percentage share of the School Finance Act. The new legislation froze the mill levy essentially allowing school property tax collections to increase at the same rate as assessed values. The legislation resulted in a significant increase in the local tax share of the District's TPF from 69% in 2008/09 to 88% in 2010/11. The increase in local funding results in a related decrease in the State's share of funding required by the School Finance Act.

Economic Factors (continued)

Conversely, since TABOR does not allow mill levies to increase as assessed values decrease (the mill levy freeze remains intact), this trend reversed in FY 2011/12 due to the 29% decline in District assessed values that occurred as a result of the impact of the recession. The downward trend in the percentage of TFP funded through local taxes continued with another decline in assessed value in 2013/14. This trend reversed again in 2015/16 with an 18% increase in assessed value.

School finance was also temporarily impacted by Amendment 23, which was passed by voters in November 2000. This state constitutional amendment required that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window expired, the state was required to increase funding at the rate of inflation. This funding calculation attempted to align Colorado districts to inflation-adjusted funding levels of 1988. However, with significant revenue shortfalls in fiscal year 2011, the State added a negative (budget stabilization) factor to the per pupil School Finance Act calculation described above. This negative factor has essentially negated the intent of Amendment 23.

Next Year's Budget and Fund Balance

The District's General Fund fund balance at the end of fiscal year 2025 totaled \$18.7 million with \$12.8 million of that amount being unassigned. While we are increasing in fund balance, the District is continuing to borrow from the State Loan Program and has had two negative financial indicators the previous year. We believe that this increase in fund balance is a good first step towards assuring solid financial stability in the future, however, we will be monitoring our fund balance use closely, since the District, during 2025/26, needs to solve for declining enrollment and some expenditure overruns due to inadequate budgeted contingencies for programs such as Special Education.

Component Units

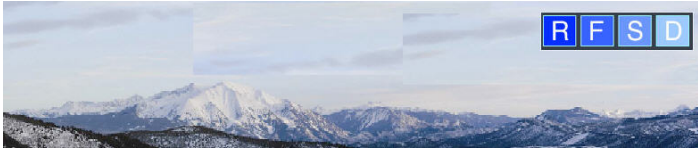
Only summary information regarding component units appears in the District's financial statements. The District has two component units, Carbondale Community (charter) School and Two Rivers Community (charter) School. The charters' financial statement information is presented in separate columns in the Government-wide Statement of Net Position and in the Statement of Activities on pages C1 and C2, respectively. The charter schools issue their own audited financial statement report which can be viewed on their website at <http://discovercompass.org/carbondale-community-school> and <https://www.tworiverscs.org>.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Roaring Fork School District, Chief Financial Officer, 400 Sopris Avenue, Carbondale, Colorado 81623. Additional financial information can be obtained on the District's website at <http://www.rfsd.k12.co.us>.

Roaring Fork School District RE-1

District-Wide Financial Statements



Roaring Fork School District RE-1
Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business Type Activities	Total	Carbondale Community School	Two Rivers Community School
Assets:					
Current Assets:					
Cash and investments	39,343,561	128,613	39,472,174	1,063,587	3,864,138
Restricted cash and investments	-	-	-	-	42,736
Accounts receivable	1,566,504	-	1,566,504	7,948	90,103
Taxes receivable	6,009,574	-	6,009,574	-	-
Due from other governments	1,565,095	-	1,565,095	123,508	-
Internal balances	(1,296,930)	1,296,930	-	-	-
Inventories	26,224	-	26,224	-	-
Prepaid expenses	404,074	-	404,074	3,891	9,264
Total Current Assets	47,618,102	1,425,543	49,043,645	1,198,934	4,006,241
Capital Assets:					
Land	21,871,467	-	21,871,467	445,000	1,730,319
Construction in progress	182,930	-	182,930	-	178,010
Buildings and improvements	292,047,611	47,186,820	339,234,431	4,769,624	7,988,317
Equipment and vehicles	16,628,512	-	16,628,512	165,025	567,692
Less accumulated depreciation	(174,793,056)	(4,234,771)	(179,027,827)	(2,547,703)	(2,439,031)
Total Capital Assets	155,937,464	42,952,049	198,889,513	2,831,946	8,025,307
Total Assets	203,555,566	44,377,592	247,933,158	4,030,880	12,031,548
Deferred Outflows of Resources:					
Deferred charge on refundings	7,379,670	-	7,379,670	-	-
Deferred pension expenses	18,033,789	-	18,033,789	653,168	2,316,704
Deferred OPEB expenses	1,244,388	-	1,244,388	25,045	72,333
Total Deferred Outflows of Resources	26,657,847	-	26,657,847	678,213	2,389,037
Liabilities:					
Current Liabilities:					
Accounts, retainage, and deposits payable	862,697	156,059	1,018,756	65,884	319,385
Accrued liabilities	827,149	-	827,149	232,616	-
Accrued compensation	6,303,090	-	6,303,090	-	368,937
Accrued interest	156,989	-	156,989	-	15,787
Unearned revenue	2,650,344	-	2,650,344	-	-
Total Current Liabilities	10,800,269	156,059	10,956,328	298,500	704,109
Noncurrent Liabilities:					
Compensated absences:					
Due within one year	2,301,686	-	2,301,686	-	-
Due in more than one year	3,452,530	-	3,452,530	-	-
Bonded debt and notes payable:					
Due within one year	10,212,000	-	10,212,000	-	314,389
Due in more than one year	150,848,830	-	150,848,830	-	7,638,495
Net pension liability:					
Due in more than one year	125,323,973	-	125,323,973	3,166,232	8,361,747
Net OPEB liability:					
Due in more than one year	2,223,602	-	2,223,602	56,176	136,134
Total Noncurrent Liabilities	294,362,621	-	294,362,621	3,222,408	16,450,765
Total Liabilities	305,162,890	156,059	305,318,949	3,520,908	17,154,874
Deferred Inflows of Resources:					
Deferred pension expenses	-	-	-	53,035	11,166
Deferred OPEB expenses	1,983,465	-	1,983,465	32,296	73,543
Total Deferred Inflows of Resources	1,983,465	-	1,983,465	85,331	84,709
Net Position:					
Net investment in capital assets	2,256,304	42,952,049	45,208,353	2,831,946	72,423
Restricted for:					
TABOR	3,247,190	-	3,247,190	82,500	187,000
Debt service	12,355,121	-	12,355,121	-	-
Other purposes	1,346,184	-	1,346,184	-	-
Unrestricted	(96,137,741)	1,269,484	(94,868,257)	(1,811,592)	(3,078,421)
Total Net Position	(76,932,942)	44,221,533	(32,711,409)	1,102,854	(2,818,998)

The notes to the financial statements are an integral part of this statement.

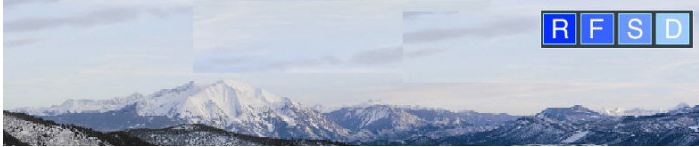
ROARING FORK SCHOOL DISTRICT RE-1
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense)	Primary Government		Net (Expense)	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Business Type Activities	Total	Carbondale Community School	Two Rivers Community School	
					Governmental Activities					
Governmental Activities:										
Current:										
Direct instruction	\$ 69,816,413	\$ 1,954,457	\$ 12,560,608	\$ -	\$ (55,301,348)	\$ -	\$ (55,301,348)	\$ -	\$ -	
Indirect instruction	16,693,100	-	1,091,437	-	(15,601,663)	-	(15,601,663)	-	-	
Transportation	3,431,337	-	-	-	(3,431,337)	-	(3,431,337)	-	-	
Operations and maintenance	9,086,764	-	-	-	(9,086,764)	-	(9,086,764)	-	-	
Support services	5,567,759	55,078	871,089	-	(4,641,592)	-	(4,641,592)	-	-	
General and school administration	9,399,558	-	-	-	(9,399,558)	-	(9,399,558)	-	-	
Student activities	3,399,967	3,412,194	-	-	12,227	-	12,227	-	-	
Food service	3,724,377	108,295	3,084,926	-	(531,156)	-	(531,156)	-	-	
Payments to component units	8,397,063	-	-	-	(8,397,063)	-	(8,397,063)	-	-	
Interest	4,153,148	-	-	-	(4,153,148)	-	(4,153,148)	-	-	
Total governmental activities	<u>133,669,486</u>	<u>5,530,024</u>	<u>17,608,060</u>	<u>-</u>	<u>(110,531,402)</u>	<u>-</u>	<u>(110,531,402)</u>	<u>-</u>	<u>-</u>	
Business-type Activities										
Employee housing	2,520,332	1,557,299	-	-	-	(963,033)	(963,033)	-	-	
Total business-type activities	<u>2,520,332</u>	<u>1,557,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(963,033)</u>	<u>(963,033)</u>	<u>-</u>	<u>-</u>	
Total Primary Government	<u>136,189,818</u>	<u>7,087,323</u>	<u>17,608,060</u>	<u>-</u>	<u>(110,531,402)</u>	<u>(963,033)</u>	<u>(111,494,435)</u>	<u>-</u>	<u>-</u>	
Component Units:										
Carbondale Charter School	2,905,495	45,451	414,828	-	-	-	-	(2,445,216)	-	
Two Rivers Community School	8,475,354	618,139	689,830	149,568	-	-	-	-	(7,017,817)	
Total component unit	<u>11,380,849</u>	<u>663,590</u>	<u>1,104,658</u>	<u>149,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,445,216)</u>	<u>(7,017,817)</u>	
General revenues and transfers:										
Property taxes levied for general purposes					64,962,683	-	64,962,683	2,173,411	5,897,087	
Property taxes levied for debt service					14,335,893	-	14,335,893	-	-	
Specific ownership taxes					4,158,052	-	4,158,052	-	-	
State equalization					21,263,527	-	21,263,527	-	-	
Grants and contributions not restricted to specific programs					1,093,777	-	1,093,777	452,079	93,629	
Interest and investment earnings					1,339,505	-	1,339,505	59,154	129,814	
Gain (loss) on asset disposal					15,303	-	15,303	-	-	
Transfers					<u>(6,174,884)</u>	<u>6,174,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total general revenues and transfers					<u>100,993,856</u>	<u>6,174,884</u>	<u>107,168,740</u>	<u>2,684,644</u>	<u>6,120,530</u>	
Change in net position					(9,537,546)	5,211,851	(4,325,695)	239,428	(897,287)	
Net position, beginning					(67,395,396)	39,009,682	(28,385,714)	863,426	(1,921,711)	
Net position, ending					<u>\$ (76,932,942)</u>	<u>\$ 44,221,533</u>	<u>\$ (32,711,409)</u>	<u>\$ 1,102,854</u>	<u>\$ (2,818,998)</u>	

The notes to the financial statements are an integral part of this statement.

Roaring Fork School District RE-1

Fund Financial Statements



ROARING FORK SCHOOL DISTRICT RE-1
Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue Funds				Debt Service		Total Governmental Funds
	General Fund	Food Service Fund	Governmental Designated Purpose		Bond Redemption Fund	Capital Reserve Fund	
			Grant Fund	Pupil Activity Fund			
Assets:							
Cash and investments	\$ 24,710,029	\$ 670,724	\$ -	\$ 2,040,733	\$ 11,922,075	\$ -	\$ 39,343,561
Accounts receivable	485,660	52,880	-	-	174,970	-	713,510
Taxes receivable	5,370,644	-	-	-	638,930	-	6,009,574
Due from other governments	754,857	489,236	281,482	-	747	38,773	1,565,095
Due from other funds	1,411,959	169,595	2,475,485	28,513	-	1,327,928	5,413,480
Other assets	85,371	-	-	-	-	318,703	404,074
Inventory	-	26,224	-	-	-	-	26,224
Total Assets	<u>32,818,520</u>	<u>1,408,659</u>	<u>2,756,967</u>	<u>2,069,246</u>	<u>12,736,722</u>	<u>1,685,404</u>	<u>53,475,518</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:							
Liabilities:							
Accounts, retainage, arbitrage and deposits payable	717,116	85,588	27,275	-	-	28,828	858,807
Accrued liabilities	827,149	-	-	-	-	-	827,149
Accrued salaries and benefits	5,701,921	178,623	422,546	-	-	-	6,303,090
Due to other funds	5,715,286	-	-	-	151,020	-	5,866,306
Unearned revenue	1,424	31,382	2,307,146	-	-	310,392	2,650,344
Total Liabilities	<u>12,962,896</u>	<u>295,593</u>	<u>2,756,967</u>	<u>-</u>	<u>151,020</u>	<u>339,220</u>	<u>16,505,696</u>
Deferred Inflows of Resources:							
Unavailable property tax revenue	1,140,305	-	-	-	230,581	-	1,370,886
Total Deferred Inflows of Resources	<u>1,140,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,581</u>	<u>-</u>	<u>1,370,886</u>
Fund Balances:							
Non-spendable	-	26,224	-	-	-	-	26,224
Spendable:							
Restricted	3,247,190	-	-	-	12,355,121	1,346,184	16,948,495
Committed	472,797	1,086,842	-	2,069,246	-	-	3,628,885
Assigned	2,154,516	-	-	-	-	-	2,154,516
Unassigned	12,840,816	-	-	-	-	-	12,840,816
Total Fund Balances	<u>18,715,319</u>	<u>1,113,066</u>	<u>-</u>	<u>2,069,246</u>	<u>12,355,121</u>	<u>1,346,184</u>	<u>35,598,936</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,818,520</u>	<u>\$ 1,408,659</u>	<u>\$ 2,756,967</u>	<u>\$ 2,069,246</u>	<u>\$ 12,736,722</u>	<u>\$ 1,685,404</u>	<u>\$ 53,475,518</u>

The notes to the financial statements are an integral part of this statement.

ROARING FORK SCHOOL DISTRICT RE-1
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2025

Governmental Funds Total Fund Balance	\$ 35,598,936
Property taxes receivable will be collected this calendar year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	1,370,886
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	330,730,521
Deferred items such as premiums and deferred refunding costs are treated as current transactions on the fund financial statements but are capitalized and amortized on the Statement of Net Position.	(3,999,176)
Accumulated depreciation is not recognized in the governmental funds because capital acquisition costs are expended at the time of acquisition.	(174,793,056)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of bonded debt payable.	(149,681,985)
Long-term liabilities, including compensated absences and longevity pay, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of compensated absences and longevity pay not currently payable.	(5,754,216)
Interest payable on debt is not recorded on the fund statements but, rather is recognized as an expenditure when due. This is the accrued interest on bonded debt that has been incurred, but not yet due.	(156,989)
The internal service fund is used by management to charge the cost of health insurance to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund are included in governmental activities in the statement of net position.	5,000
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension liability, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension plan, that are amortized over the average remaining service life of all active and inactive plan participants.	(107,290,184)
Changes in the District's net pension and OPEB 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 pension and OPEB obligation during the year, including differences between employer contributions to the pension and OPEB plan and amortization of pension and OPEB-related deferrals.	(2,962,679)
Governmental Activities Net Position	\$ (76,932,942)

The notes to the financial statements are an integral part of this statement.

ROARING FORK SCHOOL DISTRICT RE-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				Debt Service		Total Governmental Funds
	General Fund	Food Service Fund	Governmental Designated Purpose		Bond Redemption Fund	Capital Reserve Fund	
			Grant Fund	Pupil Activity Fund			
Revenues:							
Taxes							
Property taxes	\$ 65,152,170	\$ -	\$ -	\$ -	\$ 14,335,893	\$ -	\$ 79,488,063
Specific ownership taxes	4,158,052	-	-	-	-	-	4,158,052
Delinquent taxes, interest, and abatements	(5,547)	-	-	-	-	-	(5,547)
Intergovernmental revenues:							
State sources	26,255,887	1,345,324	2,194,369	-	-	542,861	30,338,441
Federal sources	2,050,761	1,738,977	977,011	-	-	-	4,766,749
Charges for services	1,923,297	108,921	-	-	-	-	2,032,218
Investment income	1,149,175	609	-	-	-	163,044	1,312,828
Student activities	-	-	-	3,412,194	-	-	3,412,194
Other	1,137,666	-	2,078,103	-	174,970	412,911	3,803,650
Total Revenues	101,821,461	3,193,831	5,249,483	3,412,194	14,510,863	1,118,816	129,306,648
Expenditures:							
Direct instruction	53,900,484	-	1,440,030	-	-	-	55,340,514
Indirect instruction	9,904,518	-	4,650,803	-	-	-	14,555,321
Transportation	2,709,259	-	3,120	-	-	-	2,712,379
Operations and maintenance of plant services	8,480,363	-	-	-	-	-	8,480,363
Support services	5,230,694	-	40,034	-	-	-	5,270,728
General and school administration	7,854,433	-	556	-	-	-	7,854,989
Student activities	-	-	-	3,399,967	-	-	3,399,967
Food service	3,747	3,487,862	3,100	-	-	-	3,494,709
Payment to component unit	8,397,063	-	-	-	-	-	8,397,063
Debt Service:							
Principal	-	-	-	-	9,948,000	-	9,948,000
Interest and fiscal charges	-	-	-	-	3,894,119	-	3,894,119
Capital outlay	1,497	-	243,041	-	-	9,805,059	10,049,597
Total Expenditures	96,482,058	3,487,862	6,380,684	3,399,967	13,842,119	9,805,059	133,397,749
Excess (Deficiency) of Revenues Over Expenditures							
	5,339,403	(294,031)	(1,131,201)	12,227	668,744	(8,686,243)	(4,091,101)
Other Financing Sources (Uses):							
Transfers in	-	200,000	1,131,201	-	-	1,000,000	2,331,201
Transfers (out)	(3,490,934)	-	-	-	-	-	(3,490,934)
Total Other Financing Sources (Uses)	(3,490,934)	200,000	1,131,201	-	-	1,000,000	(1,159,733)
Net Change in Fund Balances	1,848,469	(94,031)	-	12,227	668,744	(7,686,243)	(5,250,834)
Fund Balances - Beginning of the Year	16,866,850	1,207,097	-	2,057,019	11,686,377	9,032,427	40,849,770
Fund Balances - End of the Year	\$ 18,715,319	\$ 1,113,066	\$ -	\$ 2,069,246	\$ 12,355,121	\$ 1,346,184	\$ 35,598,936

The notes to the financial statements are an integral part of this statement.

ROARING FORK SCHOOL DISTRICT RE-1
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Governmental Funds Changes in Fund Balances	\$ (5,250,834)
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 as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year, net of disposals.	(3,036,275)
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 the deferred property tax recognized in the Statement of Activities.	966,647
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal payments.	9,948,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is the change in interest payable during the year.	8,058
The donation of capital assets of \$5,408,483 increases net position but is not shown in the governmental funds.	(6,174,884)
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.	(619,492)
Changes in the District's net pension 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 pension obligation during the year, including differences between employer contributions to the pension plan and amortization of pension-related deferrals.	(5,844,135)
Changes in the District's OPEB 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 OPEB obligation during the year, including differences between employer contributions to the OPEB plan and amortization of OPEB-related deferrals.	727,458
The internal service fund is used by management to charge costs of health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	5,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(267,089)
Governmental Activities Change in Net Position	\$ (9,537,546)

The notes to the financial statements are an integral part of this statement.

Roaring Fork School District RE-1
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities	Governmental Activities
	District Housing Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and investments	\$ 128,613	\$ -
Due from other funds	1,296,930	-
Total current assets	1,425,543	-
Non-current assets:		
Other receivable	-	852,994
Capital assets:		
Buildings	47,186,820	-
Less accumulated depreciation	(4,234,771)	-
Total non-current assets	42,952,049	852,994
Total assets	44,377,592	852,994
LIABILITIES		
Current liabilities:		
Accounts payable	39,807	3,890
Security deposits payable	116,252	-
Due to other funds	-	844,104
Total current liabilities	156,059	847,994
Total liabilities	156,059	847,994
NET POSITION		
Net investment in capital assets	42,952,049	-
Unrestricted	1,269,484	5,000
Total net position	\$ 44,221,533	\$ 5,000

The notes to the financial statements are an integral part of this statement.

Roaring Fork School District RE-1
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities	Governmental Activities
	District Housing Fund	Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 1,557,299	5,316,119
Total operating revenues	1,557,299	5,316,119
OPERATING EXPENSES		
Purchased property services	589,441	-
Repairs and maintenance	175,321	-
Health insurance	-	6,497,530
Operating supplies	442	-
Interest expense	781,731	-
Depreciation	973,397	-
Total operating expenses	2,520,332	6,497,530
INCOME (LOSS) FROM OPERATIONS	(963,033)	(1,181,411)
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	-	26,678
Total non-operating revenues (expenses)	-	26,678
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(963,033)	(1,154,733)
Capital contributions	6,174,884	-
Transfers in (out)	-	1,159,733
CHANGE IN NET POSITION	5,211,851	5,000
TOTAL NET POSITION - BEGINNING	39,009,682	-
TOTAL NET POSITION - ENDING	\$ 44,221,533	\$ 5,000

The notes to the financial statements are an integral part of this statement.

Roaring Fork School District RE-1
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities	Governmental Activities
	District Housing Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from tenants	\$ 1,606,918	\$ -
Interfund payments	(36,925)	4,463,125
Payments to vendors	(1,518,199)	(5,649,536)
Net cash (used) for operating activities	51,794	(1,186,411)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in (out)	-	1,159,733
Net cash provided by noncapital financing activities	-	1,159,733
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from investment income	-	26,678
Net cash provided by investing activities	-	26,678
NET INCREASE (DECREASE) IN CASH	51,794	-
Cash and Cash Equivalents - July 1	76,819	-
Cash and Cash Equivalents - June 30	128,613	-
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:		
Operating income (loss)	(963,033)	(1,181,411)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation expense	973,397	-
Changes in assets and liabilities related to operations:		
(Increase) decrease in accounts receivable	-	(852,994)
(Increase) decrease in due to from other funds	(36,925)	844,104
Increase (decrease) in accounts payable	28,738	3,890
Increase (decrease) in security deposits	49,617	-
Total adjustments	1,014,827	(5,000)
Net cash (used) for operating activities	\$ 51,794	\$ (1,186,411)
Schedule of Noncash Transactions:		
Contribution of assets, net of related debt	6,174,884	-
Total noncash investing, capital and financing activities	\$ 6,174,884	\$ -

The notes to the financial statements are an integral part of this statement.

Roaring Fork School District RE-1

Notes to the Financial Statements



**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025**

I. Summary of Significant Accounting Policies

Roaring Fork School District RE-1 (the “District”) was formed in 1959 and is located in Colorado’s Central Rocky Mountains. The geographical boundaries include portions of Eagle, Garfield, and Pitkin counties. For 2025, the District provided services to five thousand eight hundred forty two (5,842) students. The District’s mission is “*Roaring Fork Schools will ensure that every student develops the enduring knowledge, skills and character to thrive in a changing world*”. The District operates the following Schools:

Elementary Schools	Middle Schools	High Schools
Sopris Elementary School	Basalt Middle School	Basalt High School
Glenwood Springs Elementary	Glenwood Springs Middle	Roaring Fork High School
Crystal River Elementary School	Carbondale Middle School	Glenwood Springs High School
Basalt Elementary School		Bridges High School
Combination Schools		
Carbondale Community School (Pre-K to 8th Grade)		
Two Rivers Community School (Pre-K to 8th Grade)		
Riverview School (Pre-K to 8th Grade)		

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 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 organizations for which the District is considered to be financially accountable. The District applied various criteria to determine if it is financially accountable for any organization, which would require that organization to be included in the District’s reporting entity. Criteria include fiscal dependency, financial benefit or burden, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Based upon the above criteria, the District is financially responsible for funding the Carbondale Community School and Two Rivers Community School. The Carbondale Community School and the Two Rivers Community School are charter schools governed by the Colorado Revised Statutes, and are financed by a portion of the District’s School Finance Act Revenues (based on enrollment), state and federal grants, as well as other revenues generated by the Community Schools. Separately issued financial statements are available from each school. The Carbondale Community School and the Two Rivers Community School are discretely presented component units to the District because of their financial relationship with the District.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

Roaring Fork School District RE-1
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, 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 either governmental or business type. 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 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 both the gross and net cost of the District's functions. The functions are also supported by general government 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. 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 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. Resources restricted within this fund relate to TABOR reserve requirements (see Note 3.C).

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The *Capital Reserve Capital Projects Fund* – This capital projects fund accounts for and reports financial resources that are restricted by outside parties (i.e., land dedication fees), as well as amounts committed by the School Board of the District for expenditures of capital outlay, including the acquisition or construction of capital facilities and other capital assets. It excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *Bond Redemption Debt Service Fund* - accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District reports the following major special revenue funds:

The *Food Service Fund* accounts for all financial activities associated with the District’s school food service program.

The *Governmental Designated Purpose Grant Special Revenue Fund* - accounts for all federal, state, and local grants which are restricted as to the type of expenditures for which they may be used.

The *Preschool Fund* - accounts for activities associated with the preschools.

The *Pupil Activity Special Revenue Fund* - accounts for District sponsored activities for students. Each year, the School Board of the District commits funding by way of the budget approval process.

The District reports the following major proprietary fund:

The *Employee Housing Fund* accounts for all financial activities associated with the District’s employee housing units.

Additionally, the District reports the following internal service fund:

The *Health Insurance Fund* accounts for all financial activities associated with the District’s health insurance.

Roaring Fork School District RE-1
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

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.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and the 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 District 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. 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 Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash and Investments (continued)

The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification.

2. Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes levied in 2024 but not yet collected in 2025 are identified as property taxes receivable and deferred inflows at June 30, 2025, and are presented net of an allowance for uncollectible taxes. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

3. Inventory and Prepaid Items

All inventories are valued at cost using the first-in / first-out (FIFO) method. Inventories recorded in the Food Service Fund consist of purchased and donated commodities. Donated commodities inventories are offset by unearned revenue. 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. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental columns in the government-wide 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 where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value at the date of donation.

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset, as applicable.

Capital outlay for projects is capitalized as projects are constructed.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20 -30
Buildings and improvements	20 - 50
Equipment and vehicles	5 - 10

5. Compensated Absences

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the district-wide financial statements.

After the completion of fifteen years of full-time service, staff members are eligible for voluntary early retirement. Staff members are entitled to a percentage of their salary as determined from their highest salary during the last five years of employment with the District. The estimated liability for all employees participating in voluntary early retirement is recorded in governmental activities in the Statement of Net Position, as a component of compensated absences.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the Capital Reserve Fund. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

Roaring Fork School District RE-1
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 (“SDHDTF”), a cost-sharing multiple-employer defined benefit pension fund 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, and additions to/deductions from the fiduciary net position 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 other postemployment benefit plan (“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 and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has three items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other two items are the collective deferred outflows related to the District’s net pension 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. See Notes IV.H. and IV.I.

Deferred inflows of resources represent an acquisition of net position that applied 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. These items are the collective deferred inflows related to the District’s net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members. See Notes IV.H. and IV.I.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. 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.

11. Interfund Transactions

Interfund services provided and used 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.

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. Credit Risk

The receivables of the various funds of the District are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

3. Restricted and Unrestricted Resources

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

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 a 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.

III. Stewardship, Compliance, and Accountability

A. Bond Trustee

Colorado state statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to 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 UMB Bank, formally American National Bank, in order to meet this requirement.

B. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. As required by Colorado Statutes, 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. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2025.

1. The proposed budget was submitted to the Board of Education by May 31 of the year preceding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.
3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
4. The final budget was adopted prior to June 30, along with an appropriation resolution.

During 2025, the Food Service fund expenditures exceeded the amounts appropriated by \$451,334. This may a violation of Colorado Revised Statutes.

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information (continued)

Budgets are prepared on a GAAP basis for all funds except the General Fund, which recognized revenue and expense for the proportionate share of the State of Colorado's contribution payment to PERA's School Division Trust Fund. The budget for this fund has been adopted on a non-GAAP budget and are reconciled to GAAP below:

	General Fund
Net change in Fund Balance - Budget Basis	\$ 1,848,469
Add/(less):	
Pension direct distribution - Special funding	(1,027,344)
Pension expense - Special funding	1,027,344
Net change in Fund Balance - GAAP Basis	\$ 1,848,469

C. 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 revenue gain to any local government.

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. These reserves are required to be 3% or more.

The District has reserved a portion of its June 30, 2025 year-end fund balance in the General Fund for emergencies as required under TABOR. As of June 30, 2025, the District had reserved \$3,247,190 in the General Fund for this purpose, which is approximately 3% of the fiscal year spending.

In 1997, the District's electorate passed a ballot question exempting the District from the revenue and expenditure limitations imposed by the TABOR Amendment. The District's electorate approved the following ballot question: *"retain, and spend all revenues received from any source...that are in excess of fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution"*.

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits and certificates of deposit 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 over \$250,000 are collateralized as required by PDPA.

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 recurring fair value measurements:

Investments Measured at Net Asset Value	Total
Colotrust	\$ 22,894,254

The District is governed by the deposit and investment limitations of state law. Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. The deposits and investment balances at June 30, 2025, are as follows:

Type	Fair Value	Maturities	
		Less Than One Year	One To Five Years
Deposits:			
Cash with fiscal agent	\$ 11,922,075	\$ -	\$ -
Checking accounts	4,655,845	-	-
Investments:			
Investment pool	22,894,254	22,894,254	-
Total	\$ 39,472,174	\$ 22,894,254	\$ -

The Investment Pool represents investments in Colotrust, which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities, the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

Investments may only be made in those allowed by Colorado Statutes. As a result, the District generally invests in financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, or investments that are federally guaranteed. Financial institutions holding District funds must provide the District with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

B. Receivables

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

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Governmental Designated Purpose Grant Funds</u>	
Receivables:				
Taxes	\$ 5,370,644	\$ -	\$ -	
Accounts	485,660	52,880	-	
Intergovernmental	754,857	489,236	281,482	
Gross receivables	<u>6,611,161</u>	<u>542,116</u>	<u>281,482</u>	
Less: allowance for uncollectible	-	-	-	
Net receivables	<u>\$ 6,611,161</u>	<u>\$ 542,116</u>	<u>\$ 281,482</u>	
	<u>Bond Redemption Fund</u>	<u>Capital Reserve Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
Receivables:				
Taxes	\$ 638,930	\$ -	\$ -	\$ 6,009,574
Accounts	174,970	-	852,994	1,566,504
Intergovernmental	747	38,773	-	1,565,095
Gross receivables	<u>814,647</u>	<u>38,773</u>	<u>852,994</u>	<u>9,141,173</u>
Less: allowance for uncollectible	-	-	-	-
Net receivables	<u>\$ 814,647</u>	<u>\$ 38,773</u>	<u>\$ 852,994</u>	<u>\$ 9,141,173</u>

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes \$1,370,886 of property tax revenue levied in fiscal 2025 but not available until fiscal 2026.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 21,871,467	\$ -	\$ -	\$ 21,871,467
Construction in progress	855,682	182,930	(855,682)	182,930
Total capital assets not being depreciated	<u>22,727,149</u>	<u>182,930</u>	<u>(855,682)</u>	<u>22,054,397</u>
Capital assets being depreciated:				
Improvements	28,056,872	707,949	-	28,764,821
Buildings	261,473,555	1,809,235	-	263,282,790
Equipment	16,726,258	610,960	(708,706)	16,628,512
Total capital assets being depreciated	<u>306,256,685</u>	<u>3,128,144</u>	<u>(708,706)</u>	<u>308,676,123</u>
Total capital assets - cost	<u>328,983,834</u>	<u>3,311,074</u>	<u>(1,564,388)</u>	<u>330,730,520</u>
Less accumulated depreciation for:				
Building and improvements	(152,294,526)	(10,731,414)	-	(163,025,940)
Equipment and vehicles	(11,540,686)	(935,136)	708,706	(11,767,116)
Total accumulated depreciation	<u>(163,835,212)</u>	<u>(11,666,550)</u>	<u>708,706</u>	<u>(174,793,056)</u>
Governmental Activities Capital Assets, Net	<u>\$ 165,148,622</u>	<u>\$ (8,355,476)</u>	<u>\$ (855,682)</u>	<u>\$ 155,937,464</u>

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Buildings	\$ 41,011,936	\$ 6,174,884	\$ -	\$ 47,186,820
Total capital assets being depreciated	<u>41,011,936</u>	<u>6,174,884</u>	<u>-</u>	<u>47,186,820</u>
Total capital assets - cost	<u>41,011,936</u>	<u>6,174,884</u>	<u>-</u>	<u>47,186,820</u>
Less accumulated depreciation for:				
Building and improvements	(3,261,374)	(973,397)	-	(4,234,771)
Total accumulated depreciation	<u>(3,261,374)</u>	<u>(973,397)</u>	<u>-</u>	<u>(4,234,771)</u>
Business-type Activities Capital Assets, Net	<u>\$ 37,750,562</u>	<u>\$ 5,201,487</u>	<u>\$ -</u>	<u>\$ 42,952,049</u>

The District had the following capital outlay and depreciation expense for the following functions:

Governmental activities:	<u>Capital Outlay</u>	<u>Depreciation</u>
Direct instruction	\$ 1,199,601	\$ 9,191,440
Indirect instruction	499,146	931,680
General and school administration	92,081	714,858
Support programs	-	58,796
Operations and maintenance	163,444	199,138
Transportation	461,750	532,456
Food service	39,370	38,182
Total Governmental Activities	<u>\$ 2,455,392</u>	<u>\$ 11,666,550</u>
Business-type activities:	<u>Capital Outlay</u>	<u>Depreciation</u>
Employee housing	\$ 6,174,884	\$ 973,397
Total Business-type Activities	<u>\$ 6,174,884</u>	<u>\$ 973,397</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Discretely presented component units:

Carbondale Community Charter School:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 445,000	\$ -	\$ -	\$ 445,000
Construction in Progress	875,275	-	(875,275)	-
Total capital assets not being depreciated	<u>1,320,275</u>	<u>-</u>	<u>(875,275)</u>	<u>445,000</u>
Capital assets being depreciated:				
Improvements	234,407	-	-	234,407
Buildings	3,166,032	1,369,185	-	4,535,217
Equipment	165,025	-	-	165,025
Total capital assets being depreciated	<u>3,565,464</u>	<u>1,369,185</u>	<u>-</u>	<u>4,934,649</u>
Total capital assets - cost	<u>4,885,739</u>	<u>1,369,185</u>	<u>(875,275)</u>	<u>5,379,649</u>
Less accumulated depreciation for:				
Building and improvements	(2,244,180)	(138,497)	-	(2,382,677)
Equipment and vehicles	(165,026)	-	-	(165,026)
Total accumulated depreciation	<u>(2,409,206)</u>	<u>(138,497)</u>	<u>-</u>	<u>(2,547,703)</u>
Total Capital Assets, Net	<u>\$ 2,476,533</u>	<u>\$ 1,230,688</u>	<u>\$ (875,275)</u>	<u>\$ 2,831,946</u>

Two Rivers Community School:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,730,319	\$ -	\$ -	\$ 1,730,319
Construction in Progress	12,003	178,010	(12,003)	178,010
Total capital assets not being depreciated	<u>1,742,322</u>	<u>178,010</u>	<u>(12,003)</u>	<u>1,908,329</u>
Capital assets being depreciated:				
Improvements	454,344	-	-	454,344
Buildings	7,533,973	-	-	7,533,973
Equipment	398,536	169,156	-	567,692
Total capital assets being depreciated	<u>8,386,853</u>	<u>169,156</u>	<u>-</u>	<u>8,556,009</u>
Total capital assets - cost	<u>10,129,175</u>	<u>347,166</u>	<u>(12,003)</u>	<u>10,464,338</u>
Less accumulated depreciation for:				
Building and improvements	(1,785,217)	(263,059)	-	(2,048,276)
Equipment and vehicles	(360,021)	(30,734)	-	(390,755)
Total accumulated depreciation	<u>(2,145,238)</u>	<u>(293,793)</u>	<u>-</u>	<u>(2,439,031)</u>
Total Capital Assets, Net	<u>\$ 7,983,937</u>	<u>\$ 53,373</u>	<u>\$ (12,003)</u>	<u>\$ 8,025,307</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the amount of pooled cash attributable to each fund, reported in its entirety in the general fund. Interfund balances as of June 30, 2025, were as follows:

Due to/from other funds:	Receivable	Payables
General fund	\$ 1,411,959	\$ 5,715,286
Governmental designated purpose grant	2,475,485	-
Pupil activity special revenue fund	28,513	-
Capital reserve capital projects fund	1,327,928	-
Bond redemption fund	-	151,020
Food service fund	169,595	-
Health insurance fund	-	844,104
Housing fund	1,296,930	-
	<u>\$ 6,710,410</u>	<u>\$ 6,710,410</u>

Transfers were as follows:

Fund In (Out)	Amount	Reason
Governmental designated purpose grant fund / (General fund)	\$ 1,131,201	To record the District's cash matching obligation(s) for grants awards
Capital reserve capital projects fund / (General fund)	\$ 1,000,000	To support future capital reserve expenditures
Health insurance fund / (General fund)	\$ 1,159,733	To cover health insurance fund deficit
Food service fund / (General fund)	\$ 200,000	To support food service fund expenditures

E. Long-term Debt

All general obligation bonds outstanding are paid by the Bond Redemption Fund.

1. General Obligation Refunding Bonds, Series 2006

On December 26, 2006, the District issued General Obligation Refunding Bonds Series 2006 in the amount of \$8,719,989. Net proceeds after issuance costs were deposited with an escrow agent.

Bonds maturing on and after December 15, 2017 are subject to redemption prior to maturity at the option of the District. The Capital Appreciation Bonds are not subject to redemption prior to maturity. The bonds have bi-annual payment dates of June 15 and December 15. The interest rate on the outstanding bonds is 4.0% and the bonds mature on December 15, 2027.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

1. General Obligation Refunding Bonds, Series 2006 (continued)

In July 2017, a portion of the bonds were refunded by the issuance of General Obligation Refunding Bonds, Series 2016B.

The portion of the 2006 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027 - 2028	\$ 14,989	\$ 1,700,011	\$ 1,715,000
Totals	<u>\$ 14,989</u>	<u>\$ 1,700,011</u>	<u>\$ 1,715,000</u>

2. General Obligation Refunding Bonds, Series 2007

On January 30, 2007, the District issued General Obligation Refunding Bonds Series 2007 in the amount of \$8,209,995. Net proceeds after issuance costs were deposited with an escrow agent.

Bonds maturing on and after December 15, 2017 are subject to redemption prior to maturity at the option of the District. The Capital Appreciation Bonds are not subject to redemption prior to maturity. The bonds have bi-annual payment dates of June 15 and December 15. The interest rate on the outstanding bonds is 4.0% and the bonds mature on December 15, 2026. These bonds will be serviced by the Bond Redemption Fund. In July 2017, a portion of the bonds were refunded by the issuance of General Obligation Refunding Bonds, Series 2016B. The portion of the 2007 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026 - 2027	\$ 44,995	\$ 1,590,005	1,635,000
Totals	<u>\$ 44,995</u>	<u>\$ 1,590,005</u>	<u>\$ 1,635,000</u>

3. General Obligation Bonds, Series 2016

On January 21, 2016, the District issued General Obligation Bonds, Series 2016 in the amount of \$122,000,000 to acquire, construct, repair and improve District capital assets and to pay the costs of issuance of the Bonds.

The bonds are subject to redemption prior to maturity at the option of the District, in whole or part, on December 15, 2026 and on any date thereafter. The bonds have bi-annual payment dates of June 15 and December 15. Interest rates on the outstanding bonds vary from 1.00% to 5.00% and the bonds mature on December 15, 2035. These bonds will be serviced by the Bond Redemption Fund. The portion of the 2016 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025 - 2026	\$ 2,080,000	\$ 45,136	\$ 2,125,136
Totals	<u>\$ 2,080,000</u>	<u>\$ 45,136</u>	<u>\$ 2,125,136</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

4. General Obligation Refunding Bonds, Series 2016B

On July 27, 2016, the District issued General Obligation Refunding Bonds, Series 2016B in the amount of \$15,475,000 to refund a portion of the General Obligation Refunding Bonds, Series 2006 and a portion of the General Obligation Refunding Bonds, Series 2007. Net proceeds after issuance costs were deposited with an escrow agent.

Bonds maturing on or before December 15, 2025 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after December 15, 2026 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District shall determine and by lot within any maturity in such manner as the Paying Agent shall determine, on December 15, 2025 and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date. The bonds have bi-annual payment dates of June 15 and December 15. The interest rates on the outstanding bonds ranges from 2% to 2.5% and the bonds mature on December 15, 2027. These bonds will be serviced by the Bond Redemption Fund.

The portion of the 2016B bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025 - 2026	\$ 200,000	\$ 310,125	\$ 510,125
2026 - 2027	6,775,000	239,375	7,014,375
2027 - 2028	6,865,000	85,513	6,950,513
Totals	<u>\$ 13,840,000</u>	<u>\$ 635,013</u>	<u>\$ 14,475,013</u>

5. General Obligation Refunding Bonds, Series 2020

On April 15, 2020, the District issued General Obligation Refunding Bonds, Series 2020 in the amount of \$30,500,000 to refund a portion of the General Obligation Refunding Bonds, Series 2011 and the General Obligation Refunding Bonds, Series 2012. Net proceeds after issuance costs were deposited with an escrow agent. The bonds have bi-annual payment dates of June 15 and December 15. The interest rate on the outstanding bonds is 1.07% and the bonds mature on December 15, 2025. These bonds will be serviced by the Bond Redemption Fund.

The portion of the 2020 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025 - 2026	\$ 7,222,000	\$ 38,638	\$ 7,260,638
Totals	<u>\$ 7,222,000</u>	<u>\$ 38,638</u>	<u>\$ 7,260,638</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

6. General Obligation Refunding Bonds, Series 2021

On July 27, 2021, the District issued General Obligation Refunding Bonds, Series 2021 in the amount of \$112,525,000 to refund a portion of the General Obligation Refunding Bonds, Series 2016 and to pay the costs of issuing the bonds. Net proceeds after issuance costs were deposited with an escrow agent. The bonds have bi-annual payment dates of June 15 and December 15. The interest rates on the outstanding bonds ranges from 1.83% to 4.0% and the bonds mature on December 15, 2035. These bonds will be serviced by the Bond Redemption Fund.

The portion of the 2021 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025 - 2026	\$ 650,000	\$ 3,274,054	\$ 3,924,054
2026 - 2027	2,320,000	3,214,654	5,534,654
2027 - 2028	2,385,000	3,120,553	5,505,553
2028 - 2029	11,505,000	2,842,753	14,347,753
2029 - 2030	64,510,000	7,367,042	71,877,042
2030 - 2034	28,250,000	606,736	28,856,736
Totals	<u>\$ 109,620,000</u>	<u>\$ 20,425,792</u>	<u>\$ 130,045,792</u>

7. Certificates of Participation, Series 2023

On June 28, 2023, the District issued Certificates of Participation, Series 2023 in the amount of \$16,860,000 for the purpose of financing construction and equipping of three new buildings, containing rental housing units to be used as District employee housing. The certificates have bi-annual payment dates of June 15 and December 15. The interest rates on the outstanding certificates is 5% and the certificates mature on December 15, 2052. These certificates will be serviced by the Bond Redemption Fund.

The portion of the 2023 certificate issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025 - 2026	\$ 60,000	\$ 780,231	\$ 840,231
2026 - 2027	85,000	776,606	861,606
2027 - 2028	120,000	771,481	891,481
2028 - 2029	150,000	764,731	914,731
2029 - 2030	190,000	756,231	946,231
2030 - 2035	1,575,000	3,583,531	5,158,531
2035 - 2040	2,840,000	3,031,656	5,871,656
2040 - 2045	3,770,000	2,204,269	5,974,269
2045 - 2050	4,710,000	1,258,203	5,968,203
2050 - 2055	3,360,000	224,875	3,584,875
Totals	<u>\$ 16,860,000</u>	<u>\$ 14,151,814</u>	<u>\$ 31,011,814</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

8. Defeasance of Debt

Proceeds of the refunding bond issues were used to purchase U.S. government securities to retire outstanding issuances. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The District is unable to determine the amount of defeased bonds outstanding at year-end.

9. Schedule of Future Payments

The District's annual debt service is as follows:

Fiscal Year Ending:	General Obligation Refunding 2006	General Obligation Refunding 2007	General Obligation 2016	General Obligation Refunding 2016B
2025	\$ -	\$ -	\$ 2,125,136	\$ 510,125
2026	-	1,635,000	-	7,014,375
2027	-	-	-	6,950,513
2028	-	-	-	-
2029	-	-	-	-
2030 - 2034	1,715,000	-	-	-
Total	<u>1,715,000</u>	<u>1,635,000</u>	<u>2,125,136</u>	<u>14,475,013</u>
Less: interest	(1,700,011)	(1,590,005)	(45,136)	(635,013)
Debt Outstanding	<u>\$ 14,989</u>	<u>\$ 44,995</u>	<u>\$ 2,080,000</u>	<u>\$ 13,840,000</u>

Fiscal Year Ending:	General Obligation Refunding 2020	General Obligation Refunding 2021	Certificates of Participation 2023	Total
2025	\$ 7,260,638	\$ 3,924,054	\$ 840,231	\$ 14,660,184
2026	-	5,534,654	861,606	15,045,635
2027	-	5,505,553	891,481	13,347,547
2028	-	14,347,753	914,731	15,262,484
2029	-	71,877,042	946,231	72,823,273
2030 - 2034	-	28,856,736	5,158,531	35,730,267
2035 - 2039	-	-	5,871,656	5,871,656
2040 - 2044	-	-	5,974,269	5,974,269
2045 - 2049	-	-	5,968,203	5,968,203
2050 - 2054	-	-	3,584,875	3,584,875
Total	<u>7,260,638</u>	<u>130,045,792</u>	<u>31,011,814</u>	<u>188,268,393</u>
Less: interest	(38,638)	(20,425,792)	(14,151,814)	(38,586,409)
Debt Outstanding	<u>\$ 7,222,000</u>	<u>\$ 109,620,000</u>	<u>\$ 16,860,000</u>	<u>\$ 149,681,984</u>

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

10. Changes in Long-term Debt

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

	<u>July 1,</u> <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2025</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2006	\$ 14,989	\$ -	\$ -	\$ 14,989	\$ -
Refunding Bonds, Series 2007	44,995	-	-	44,995	-
General Obligation, Series 2016	4,065,000	-	(1,985,000)	2,080,000	2,080,000
Refunding Bonds, Series 2016B	14,035,000	-	(195,000)	13,840,000	200,000
Refunding Bonds, Series 2020	14,365,000	-	(7,143,000)	7,222,000	7,222,000
Refunding Bonds, Series 2021	110,245,000	-	(625,000)	109,620,000	650,000
Certificates of Participation, 2023	16,860,000	-	-	16,860,000	60,000
Unamortized premium	11,686,588	-	(307,742)	11,378,846	-
Accrued compensated absences*	5,134,723	619,493	-	5,754,216	2,301,686
Net unfunded pension liability	127,775,832	-	(2,451,859)	125,323,973	-
Net unfunded OPEB liability	3,085,273	-	(861,671)	2,223,602	-
	<u>\$ 307,312,400</u>	<u>\$ 619,493</u>	<u>\$ (13,569,272)</u>	<u>\$ 294,362,621</u>	<u>\$ 12,513,686</u>

*The change in accrued compensated absences is presented as a net change

F. Fund Balance Disclosures

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. The District has \$37,492 of non-spendable fund balance in the food service fund representing inventory.

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. The District has restricted \$3,247,190 for TABOR reserves, \$12,355,121 for debt service and \$1,346,184 for capital projects.

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. The District has committed \$472,797 representing technology mill levy reserves within the General Fund, \$1,086,842 for the food service fund, \$2,069,246 for pupil activity fund and \$578,436 for the preschool fund.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Fund Balance Disclosures (continued)

Spendable Fund Balance (continued):

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. The District has assigned \$2,154,516 of fund balance in the General Fund for special appropriations as directed by the School Board.

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.

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Benefits provided as of December 31, 2024. 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% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (“AIR”) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula 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.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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 the 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 presented in C.R.S. 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$10,934,604 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.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability 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 District contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the District reported a liability of \$125,323,973 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:

The District's proportionate share of the net pension liability	\$	125,323,973
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		10,328,426
Total	\$	135,652,399

At December 31, 2024, the District's proportion was 0.7263%, which was an increase of 0.0306% from its proportion of 0.7226% at December 31, 2023.

Pension Expense (Revenue): For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$5,844,135 and revenue (expense) of \$1,027,344 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,096,908	\$ -
earnings on pension plan investments	2,364,516	-
Changes in proportionate share of contributions	3,311,891	-
Contributions subsequent to measurement date	4,320,905	-
	\$ 18,033,789	\$ -

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources: \$4,320,905 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
June 30,	Amortization
2026	\$ 9,281,827
2027	9,441,389
2028	(3,323,966)
2029	(1,686,366)
	\$ 13,712,884

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

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

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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.

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

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

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

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

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

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (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.
- 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.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 161,876,732	\$ 125,323,973	\$ 83,817,095

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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 Colorado Revised Statutes (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 ACFR that can be obtained at www.copera.org/investments/pera-financial-reports.

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 basis for 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.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

PERA Benefit Structure (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 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 basis for 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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$547,267 for the year ended June 30, 2025.

Liabilities: At June 30, 2025, the District reported a liability of \$2,223,602 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's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.4650% as compared to its proportion of 0.4323% measured as of December 31, 2023.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the District recognized other post-employment benefit expense of \$(727,458). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 490,482
Change of assumptions or other inputs	25,495	-
Net difference between projected and actual earnings on pension plan investments	7,538	-
Changes in proportionate share of contributions	951,526	710,774
Difference between actual and reported contributions recognized	-	782,210
Contributions subsequent to measurement date	259,830	-
	\$ 1,244,389	\$ 1,983,466

\$259,830 reported as deferred outflows of resources related to other post-employment benefits, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net other post-employment benefits liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amortization
2026	\$ (283,517)
2027	(138,357)
2028	(171,692)
2029	(221,913)
2030	(146,649)
Thereafter	(36,779)
	\$ (998,907)

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions. The total OPEB liability 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 ¹		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	

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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; currently based on 2023 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 are 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

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (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

The 2024 Medicare Part A premium is \$505 per month. All costs are subject to the health care cost trend rates, as discussed below.

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.

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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 total OPEB liability are summarized in the table below:

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

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

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued).

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

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.

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial Assumptions (continued)

- 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

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

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

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial Assumptions (continued). The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. 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.

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

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

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

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

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and 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 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	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare Trend Rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Collective Net OPEB Liability	465,284,000	478,167,000	492,747,000
Proportionate Share of Net OPEB Liability	2,163,693	2,223,602	2,291,403

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

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

**Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)**

IV. Detailed Notes on All Funds (continued)

G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Proportionate Share of the net OPEB Liability	2,725,059	2,223,602	1,791,281

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

V. Other Information

A. Defined Contribution Pension Plan

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 ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. 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. For the year ended June 30, 2025, 2024, and 2023, the 401(k) Plan member contributions from the District were \$483,047, \$516,231, and \$604,306, respectively. The District did not make any contributions to the plan for the years ended June 30, 2025, 2024, and 2023.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

V. Other Information

B. Risk Management

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.).

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.

C. Contingencies

1. 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.

Roaring Fork School District RE-1
Notes to the Financial Statements
June 30, 2025
(Continued)

V. Other Information (continued)

D. Jointly Governed Organization - BOCES

The District, together with two other school districts, participates in the Colorado River 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.

For the year ended June 30, 2025 and 2024, the District made operating contributions of \$1,347,856 and \$1,194,245 respectively. For a complete audit report please contact Colorado River BOCES at 460 Stone Quarry Rd. Parachute, CO 81635.

E. Mill Levy Override Approvals

In 1999 and 2004, the electorate approved ballot questions authorizing the District to raise and expend local property tax revenues of \$4,000,000 in excess of limitation set forth by the Public School Finance Act of 1994 and Section 20 of Article X of the State Constitution for the purpose of meeting the District's strategic plan by attracting and retaining a quality staff, maintaining a lower student-teacher ratio in grades kindergarten through three, and providing technology resources for the District. All related expenditures are accounted for in the General Fund.

On November 1, 2011, the electorate approved a ballot question authorizing the District to raise and expend local property tax revenues of \$4.8 million annually, in addition to the \$4 million previously authorized. In accordance with the ballot language, funds are to be used to preserve small class sizes, attract and retain quality staff, provide learning materials, and preserve safe learning environments.

On November 2, 2021, the electorate approved a ballot question authorizing the District to raise and expend local property tax revenues of \$7.7 million annually plus inflation annually. In accordance with the ballot language, funds are to be used to support teacher and staff salary increases.

Roaring Fork School District RE-1

Required Supplementary Information



ROARING FORK SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025			Final Budget Variance	2024 Actual
	Original Budget	Final Budget	Actual Amounts	Positive (Negative)	
Revenues:					
Taxes					
Property taxes	\$ 65,089,878	\$ 64,659,878	\$ 65,152,170	\$ 492,292	\$ 61,705,272
Specific ownership taxes	3,830,485	3,510,485	4,158,052	647,567	3,632,180
Delinquent taxes, interest, and abatements	50,000	50,000	(5,547)	(55,547)	(107,634)
Tuition and fees	1,258,378	1,258,378	1,923,297	664,919	1,410,474
Investment income	997,061	882,061	1,149,175	267,114	1,596,786
State sources	26,568,957	26,257,204	25,228,543	(1,028,661)	22,739,295
Federal sources	1,962,085	1,962,085	2,050,761	88,676	2,185,056
Other	499,395	687,954	1,137,666	449,712	1,030,481
Total Revenues	<u>100,256,239</u>	<u>99,268,045</u>	<u>100,794,117</u>	<u>1,526,072</u>	<u>94,191,910</u>
Expenditures:					
Direct instruction	55,983,363	54,678,554	53,242,053	1,436,501	51,496,985
Indirect instruction	9,840,584	9,931,236	9,758,955	172,281	7,277,313
Transportation	3,413,153	3,145,979	2,678,590	467,389	2,866,067
Operations and maintenance	8,850,403	8,982,003	8,421,340	560,663	8,606,740
Support services	5,486,494	5,537,656	5,189,012	348,644	5,257,913
General and school administration	7,373,956	7,325,256	7,762,457	(437,201)	7,488,779
Food service operations	-	-	3,747	(3,747)	-
Payment to component unit	8,211,519	8,122,957	8,397,063	(274,106)	7,844,647
Capital outlay	500	500	1,497	(997)	1,269,037
Total Expenditures	<u>99,159,972</u>	<u>97,724,141</u>	<u>95,454,714</u>	<u>2,269,427</u>	<u>92,107,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,096,267</u>	<u>1,543,904</u>	<u>5,339,403</u>	<u>3,795,499</u>	<u>2,084,429</u>
Other Financing Sources (Uses):					
Transfers (out)	(3,970,797)	(5,790,413)	(3,490,934)	2,299,479	(12,261,939)
Total Other Financing Sources (Uses)	<u>(3,970,797)</u>	<u>(5,790,413)</u>	<u>(3,490,934)</u>	<u>2,299,479</u>	<u>(12,261,939)</u>
Net Change in Fund Balance - Budget Basis	<u>(2,874,530)</u>	<u>(4,246,509)</u>	<u>1,848,469</u>	<u>6,094,978</u>	<u>(10,177,510)</u>
Reconciliation to GAAP Basis:					
Pension direct distribution - Special funding			(1,027,344)		(213,465)
Pension expense - Special funding			1,027,344		213,465
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Sources (Uses) - GAAP Basis			<u>1,848,469</u>		<u>(10,177,510)</u>
Net Change in Fund Balances	(2,874,530)	(4,246,509)	1,848,469	6,094,978	(10,177,510)
Fund Balances - Beginning of the Year	<u>18,092,939</u>	<u>18,092,939</u>	<u>16,866,850</u>	<u>(1,226,089)</u>	<u>27,044,360</u>
Fund Balances - End of the Year	<u>\$ 15,218,409</u>	<u>\$ 13,846,430</u>	<u>\$ 18,715,319</u>	<u>\$ 4,868,889</u>	<u>\$ 16,866,850</u>

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

Roaring Fork School District RE-1
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (GAAP Basis)
Special Revenue Fund
Food Service Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025		Final Budget Variance Positive (Negative)	2024 2024 Actual
	Original and Final Budget	Actual		
Revenues:				
Food sales	\$ 43,100	\$ 108,921	\$ 65,821	\$ 77,041
Investment income	-	609	609	683
Federal sources:				
Federal government food reimbursement	1,540,530	1,509,645	(30,885)	1,635,232
USDA Commodity contribution	-	229,332	229,332	153,240
State sources	1,161,029	1,345,324	184,295	1,052,823
Total Revenues	<u>2,744,659</u>	<u>3,193,831</u>	<u>449,172</u>	<u>2,919,019</u>
Expenditures:				
Food Service:				
Salaries and employee benefits	1,817,917	1,982,500	(164,583)	1,703,808
Other services	75,600	335,381	(259,781)	266,525
Food and milk	781,564	933,642	(152,078)	866,586
USDA donated commodities	125,000	229,332	(104,332)	153,240
Non-food and other	236,447	7,007	229,440	5,786
Total Expenditures	<u>3,036,528</u>	<u>3,487,862</u>	<u>(451,334)</u>	<u>2,995,945</u>
Excess (Deficiency) of Revenues Over Expenditures	(291,869)	(294,031)	(2,162)	(76,926)
Other Financing Sources (Uses):				
Transfers in	200,000	200,000	-	223,000
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>223,000</u>
Net Change in Fund Balance	(91,869)	(94,031)	(2,162)	146,074
Fund Balance - Beginning of the Year	<u>899,803</u>	<u>1,207,097</u>	<u>307,294</u>	<u>1,061,023</u>
Fund Balance - End of the Year	<u>\$ 807,934</u>	<u>\$ 1,113,066</u>	<u>\$ 305,132</u>	<u>\$ 1,207,097</u>

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

ROARING FORK SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Governmental Designated Purpose Grant Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025			Final Budget Variance Positive (Negative)	2024 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Intergovernmental revenue:					
State revenue	\$ 2,172,177	\$ 2,170,367	\$ 2,194,369	\$ 24,002	\$ 1,919,808
Federal revenue	1,969,626	1,969,626	977,011	(992,615)	3,940,206
Other revenue	3,069,891	3,069,891	2,078,103	(991,788)	1,797,718
Total Revenues	<u>7,211,694</u>	<u>7,209,884</u>	<u>5,249,483</u>	<u>(1,960,401)</u>	<u>7,657,732</u>
Expenditures:					
Direct instruction	2,486,512	2,484,702	1,440,030	1,044,672	2,715,545
Indirect instruction	5,820,023	5,839,639	4,650,803	1,188,836	5,386,786
Transportation	2,000	2,000	3,120	(1,120)	252
Operations and maintenance of plant services	-	-	-	-	28,612
Support services	104,260	104,260	40,034	64,226	277,741
General and school administration	-	-	556	(556)	95,072
Building services	69,696	69,696	243,041	(173,345)	210,841
Food service	-	-	3,100	(3,100)	71,506
Total Expenditures	<u>8,482,491</u>	<u>8,500,297</u>	<u>6,380,684</u>	<u>2,119,613</u>	<u>8,786,355</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,270,797)	(1,290,413)	(1,131,201)	159,212	(1,128,623)
Other Financing Sources (Uses):					
Transfers in	1,270,797	1,290,413	1,131,201	(159,212)	1,128,623
Total Other Financing Sources (Uses)	<u>1,270,797</u>	<u>1,290,413</u>	<u>1,131,201</u>	<u>(159,212)</u>	<u>1,128,623</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances - Beginning of the Year	-	-	-	-	-
Fund Balances - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Roaring Fork School District RE-1
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Student Activity Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025		Final Budget Variance Positive (Negative)	2024 Actual
	Original and Final Budget	Actual		
Revenues:				
Student activities	\$ 3,328,973	\$ 3,412,194	\$ 83,221	\$ 3,053,212
Total Revenues	<u>3,328,973</u>	<u>3,412,194</u>	<u>83,221</u>	<u>3,053,212</u>
Expenditures:				
Student activities	5,314,998	3,399,967	1,915,031	2,891,905
Total Expenditures	<u>5,314,998</u>	<u>3,399,967</u>	<u>1,915,031</u>	<u>2,891,905</u>
Excess (Deficiency) of Revenues over Expenditures	(1,986,025)	12,227	1,998,252	161,307
Fund Balances - Beginning of the Year	<u>1,986,025</u>	<u>2,057,019</u>	<u>70,994</u>	<u>1,895,712</u>
Fund Balances - End of the Year	<u><u>\$ -</u></u>	<u><u>\$ 2,069,246</u></u>	<u><u>\$ 2,069,246</u></u>	<u><u>\$ 2,057,019</u></u>

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

Roaring Fork School District RE-1
Schedule of District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

For the Measurement Year Ended December 31,	2024	2023	2022	2021	2020
District's portion of the net pension liability	0.7263%	0.7226%	0.6920%	0.6247%	0.7469%
District's proportionate share of the net pension liability	\$ 125,323,973	\$ 127,775,832	\$ 126,003,827	\$ 72,693,468	\$ 112,910,342
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ 10,328,426	\$ 2,741,629	\$ 28,559,570	\$ 7,476,314	-
Total proportionate share of the net pension liability associated with the District	<u>\$ 135,652,399</u>	<u>\$ 130,517,461</u>	<u>\$ 154,563,397</u>	<u>\$ 80,169,782</u>	<u>\$ 112,910,342</u>
District's covered payroll	\$ 56,134,289	\$ 51,664,945	\$ 49,407,400	\$ 39,039,010	\$ 36,917,818
District's proportionate share of the net pension liability as a percentage of its covered payroll	223%	247%	255%	186%	306%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%
For the Measurement Year Ended December 31,	2019	2018	2017	2016	2015
District's portion of the net pension liability	0.6648%	0.6657%	0.7488%	0.7491%	0.7422%
District's proportionate share of the net pension liability	\$ 99,319,485	\$ 117,876,455	\$ 242,143,967	\$ 223,038,228	\$ 113,517,142
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ 11,179,443	\$ 14,179,164	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>\$ 110,498,928</u>	<u>\$ 132,055,619</u>	<u>\$ 242,143,967</u>	<u>\$ 223,038,228</u>	<u>\$ 113,517,142</u>
District's covered payroll	\$ 38,268,425	\$ 36,597,290	\$ 34,542,484	\$ 33,621,279	\$ 32,857,437
District's proportionate share of the net pension liability as a percentage of its covered payroll	260%	322%	701%	663%	345%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.20%

The accompanying notes are an integral part of this statement.

Roaring Fork School District
Schedule of District Contributions - Pension
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

<u>Year Ended June 30,</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 10,934,604	\$ 11,009,776	\$ 10,748,034	\$ 7,760,956	\$ 7,044,093
Contributions in relation to the contractually required contribution	<u>\$ (10,934,604)</u>	<u>\$ (11,009,776)</u>	<u>\$ (10,748,034)</u>	<u>\$ (7,760,956)</u>	<u>\$ (7,044,093)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 53,653,604	\$ 54,022,452	\$ 52,738,145	\$ 43,022,165	\$ 35,433,062
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	18.04%	19.88%
<u>Year Ended June 30,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 7,219,740	\$ 7,307,814	\$ 6,435,267	\$ 6,095,538	\$ 5,844,156
Contributions in relation to the contractually required contribution	<u>\$ (7,219,740)</u>	<u>\$ (7,307,814)</u>	<u>\$ (6,095,538)</u>	<u>\$ (6,095,538)</u>	<u>\$ (5,844,156)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,729</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 37,253,562	\$ 38,200,806	\$ 35,663,994	\$ 33,964,451	\$ 32,857,437
Contributions as a percentage of covered payroll	19.38%	19.13%	18.04%	17.95%	17.79%

The accompanying notes are an integral part of this statement.

Roaring Fork School District RE-1
Schedule of District's Proportionate Share of the Net Other Post Employment Benefits Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

For the Measurement Year Ended December 31,	2024	2023	2022	2021	2020
District's portion of the net OPEB liability	0.4650%	0.4323%	0.5253%	0.4079%	0.4320%
District's proportionate share of the net OPEB liability	\$ 2,223,602	\$ 3,085,273	\$ 4,288,810	\$ 3,516,935	\$ 4,104,593
District's covered payroll	\$ 56,134,289	\$ 51,664,945	\$ 49,407,400	\$ 39,039,010	\$ 36,917,818
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	4%	6%	9%	9%	11%
Plan fiduciary net position as a percentage of the total OPEB liability	58.83%	46.16%	38.57%	39.40%	32.78%
For the Measurement Year Ended December 31,	2019	2018	2017	2016	
District's portion of the net OPEB liability	0.4345%	0.4327%	0.4255%	0.4258%	
District's proportionate share of the net OPEB liability	\$ 4,884,054	\$ 5,887,212	\$ 5,529,543	\$ 5,520,662	
District's covered payroll	\$ 38,268,425	\$ 36,597,290	\$ 34,542,484	\$ 33,621,279	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	13%	16%	16%	16%	
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	

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

Roaring Fork School District
Schedule of District Contributions - Other Post Employment Benefits
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

<u>Year Ended June 30,</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 547,267	\$ 551,029	\$ 537,929	\$ 438,826	\$ 361,417
Contributions in relation to the contractually required contribution	<u>\$ (547,267)</u>	<u>\$ (551,029)</u>	<u>\$ (537,929)</u>	<u>\$ (438,826)</u>	<u>\$ (361,417)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 53,653,604	\$ 54,022,452	\$ 52,738,145	\$ 43,022,165	\$ 35,433,062
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
<u>Year Ended June 30,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Contractually required contribution	\$ 379,986	\$ 389,648	\$ 363,773	\$ 346,437	
Contributions in relation to the contractually required contribution	<u>\$ (379,986)</u>	<u>\$ (389,648)</u>	<u>\$ (363,773)</u>	<u>\$ (346,437)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 37,253,562	\$ 38,200,806	\$ 35,663,994	\$ 33,964,451	
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	

* Information is only available beginning in fiscal year 2017.

Roaring Fork School District RE-1
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, 2024 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, 2023 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.

Roaring Fork School District RE-1
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, 2022 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, 2021 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, 2020 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.

Roaring Fork School District RE-1
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, 2019 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, 2018 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, 2017 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.

Roaring Fork School District RE-1
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, 2017 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, 2016 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, 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.
- 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, 2024 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%.

**Roaring Fork School District RE-1
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, 2023 actuarial valuation:

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

3. Changes since the December 31, 2022 actuarial valuation:

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

4. Changes since the December 31, 2021 actuarial valuation:

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

5. Changes since the December 31, 2020 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, 2019 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, 2018 actuarial valuation:

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

**Roaring Fork School District RE-1
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, 2017 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, 2016 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, 2015 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, 2024 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.

Roaring Fork School District RE-1
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, 2023 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, 2022 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, 2021 actuarial valuation:

- There were no change made to the plan provisions.

5. Changes since the December 31, 2020 actuarial valuation:

- There were no change made to the plan provisions.

6. Changes since the December 31, 2019 actuarial valuation:

- There were no change made to the plan provisions.

7. Changes since the December 31, 2018 actuarial valuation:

- There were no change made to the plan provisions.

8. Changes since the December 31, 2017 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.

Roaring Fork School District RE-1
Notes to the 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, 2024 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, 2023 actuarial valuation:

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

3. Changes since the December 31, 2022 actuarial valuation:

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

4. Changes since the December 31, 2021 actuarial valuation:

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

5. Changes since the December 31, 2020 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, 2019 actuarial valuation:

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

7. Changes since the December 31, 2018 actuarial valuation:

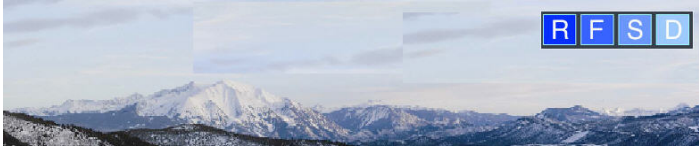
- There were no change made to the actuarial methods or assumptions.

8. Changes since the December 31, 2017 actuarial valuation:

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

Roaring Fork School District RE-1

Supplementary Information



Roaring Fork School District RE-1
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Debt Service Fund
Bond Redemption Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025		Final Budget Variance Positive (Negative)	2024 Actual
	Original and Final Budget	Actual		
Revenues:				
General property taxes	\$ 14,348,719	\$ 14,335,893	\$ (12,826)	\$ 13,838,937
Other local income	-	174,970	174,970	-
Total Revenues	14,348,719	14,510,863	162,144	13,838,937
Expenditures:				
Debt Service:				
Principal	11,941,992	9,948,000	1,993,992	9,775,000
Interest and fiscal charges	1,906,727	3,894,119	(1,987,392)	4,077,635
Total Expenditures	13,848,719	13,842,119	6,600	13,852,635
Net Change in Fund Balances	500,000	668,744	168,744	(13,698)
Fund Balances - Beginning of the Year	11,750,791	11,686,377	(64,414)	11,700,075
Fund Balances - End of the Year	\$ 12,250,791	\$ 12,355,121	\$ 104,330	\$ 11,686,377

ROARING FORK SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Capital Projects Fund
Capital Reserve Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025				
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	2024 Actual
Revenues:					
Property in lieu of land	\$ -	\$ -	\$ 322,855	\$ 322,855	\$ 704,204
Intergovernmental revenue:					
State revenue	1,300,000	-	542,861	542,861	6,769
Investment income	150,000	150,000	163,044	13,044	497,385
Other	-	-	90,056	90,056	396,308
Total Revenues	<u>1,450,000</u>	<u>150,000</u>	<u>1,118,816</u>	<u>968,816</u>	<u>1,604,666</u>
Expenditures:					
Capital outlay:					
Site and buildings	3,539,393	3,539,393	9,308,487	(5,769,094)	21,893,170
Equipment	14,772,382	13,472,382	437,908	13,034,474	564,162
Supplies	153,000	153,000	58,664	94,336	38,033
Debt service:					
Interest	-	-	-	-	766,531
Total Expenditures	<u>18,464,775</u>	<u>17,164,775</u>	<u>9,805,059</u>	<u>7,359,716</u>	<u>23,261,896</u>
Excess (Deficiency) of Revenues over Expenditures	(17,014,775)	(17,014,775)	(8,686,243)	8,328,532	(21,657,230)
Other Financing Sources (Uses):					
Transfers in	2,500,000	2,500,000	1,000,000	(1,500,000)	9,690,273
Total Other Financing Sources (Uses)	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,000,000</u>	<u>(1,500,000)</u>	<u>9,690,273</u>
Net Change in Fund Balance	(14,514,775)	(14,514,775)	(7,686,243)	6,828,532	(11,966,957)
Fund Balances - Beginning of the Year	<u>14,514,775</u>	<u>14,514,775</u>	<u>9,032,427</u>	<u>(5,482,348)</u>	<u>20,999,384</u>
Fund Balances - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,346,184</u>	<u>\$ 1,346,184</u>	<u>\$ 9,032,427</u>

ROARING FORK SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
District Housing Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025				
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	2024 Actual
Operating Revenues:					
Charges for services	\$ 1,755,293	\$ 1,755,293	\$ 1,557,299	\$ (197,994)	\$ 956,190
Total Operating Revenues	<u>1,755,293</u>	<u>1,755,293</u>	<u>1,557,299</u>	<u>(197,994)</u>	<u>956,190</u>
Operating Expenses:					
Purchased property services	938,562	938,562	589,439	349,123	306,115
Repairs and maintenance	-	-	175,321	(175,321)	156,619
Contingency	20,000	20,000	-	20,000	-
Operating supplies	15,000	15,000	442	14,558	738
Total Operating Expenses	<u>973,562</u>	<u>973,562</u>	<u>765,202</u>	<u>208,360</u>	<u>463,472</u>
Income (Loss) From Operations	781,731	781,731	792,097	10,366	492,718
Non Operating Revenues (Expenses)					
Capital contributions	-	-	6,174,884	6,174,884	20,539,735
Transfers in (out)	-	-	-	-	(1,300,000)
Depreciation	(770,000)	(770,000)	(973,397)	(203,397)	(797,278)
Total Non Operating Revenues (Expenses)	<u>(770,000)</u>	<u>(770,000)</u>	<u>5,201,487</u>	<u>5,971,487</u>	<u>18,442,457</u>
Change in Net Position	11,731	\$ 11,731	\$ 5,993,584	\$ 5,981,853	18,935,175
Fund Balances - Beginning of the Year	<u>18,616,057</u>	<u>18,616,057</u>	<u>39,009,684</u>	<u>20,393,627</u>	<u>20,074,509</u>
Fund Balances - End of the Year	<u>\$ 18,627,788</u>	<u>\$ 18,627,788</u>	<u>\$ 45,003,268</u>	<u>\$ 26,375,480</u>	<u>\$ 39,009,684</u>

ROARING FORK SCHOOL DISTRICT RE-1
Schedule of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Health Insurance Fund
For the Year Ended June 30, 2025
(With Comparative Totals For the Year Ended June 30, 2024)

	2025			Final Budget	2024
	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)	
Operating Revenues:					
Charges for services	9,226,165	9,226,165	5,202,356	\$ (4,023,809)	8,623,693
Other	200,000	200,000	113,763	(86,237)	234,972
Total Operating Revenues	<u>9,426,165</u>	<u>9,426,165</u>	<u>5,316,119</u>	<u>(4,110,046)</u>	<u>8,858,665</u>
Operating Expenses:					
Claims expense	8,400,000	8,400,000	5,269,195	3,130,805	10,108,389
Premiums paid	-	-	774,218	(774,218)	764,902
Fees and supplies	660,000	660,000	454,117	205,883	613,614
Total Operating Expenses	<u>9,060,000</u>	<u>9,060,000</u>	<u>6,497,530</u>	<u>2,562,470</u>	<u>11,486,905</u>
Income (Loss) From Operations	366,165	366,165	(1,181,411)	(1,547,576)	(2,628,240)
Non Operating Revenues (Expenses)					
Transfers in (out)	-	3,300,000	1,159,733	(2,140,267)	2,520,043
Investment income (loss)	-	-	26,678	26,678	108,197
Total Non Operating Revenues (Expenses)	-	3,300,000	1,186,411	(2,113,589)	2,628,240
Change in Net Position	366,165	3,666,165	5,000	(3,661,165)	-
Fund Balances - Beginning of the Year	<u>1,453,416</u>	<u>1,453,416</u>	<u>-</u>	<u>(1,453,416)</u>	<u>-</u>
Fund Balances - End of the Year	<u>\$ 1,819,581</u>	<u>\$ 5,119,581</u>	<u>\$ 5,000</u>	<u>\$ (5,114,581)</u>	<u>\$ -</u>

**Roaring Fork School District RE-1
in Garfield, Pitkin, and Eagle Counties, Colorado
Schedule of Mill Levy, Assessed Valuation, Property Tax Collections and District Enrollment
For the Year Ended June 30, 2025**

Six Digit Base CUSIPs: 365892 and 365894

District's Mill Levy

Levy/Collection Year	General Fund	Bond Fund	Mill Levy Override	Abatements	Total Mill Levy
2024/2025	\$47,408,822	\$14,320,744	\$17,166,120	\$524,536	\$79,420,222

District's Assessed Valuation

Levy/Collection Year	Eagle County	Garfield County	Pitkin County	Total	Percent Change
2024/2025	\$428,932,930	\$1,069,553,640	\$341,989,450	\$1,840,476,020	0.67%

Property Tax Collections

[note: calculated on calendar-year basis]

Levy/Collection Year	Total Taxes Levied	Tax Collections	Percent of Levy Collected
2024/2025	\$79,420,222	\$79,142,067.19	99.60%

District Enrollment

School Year	Enrollment	Percent Change
2024/2025	5,634.5	-.4%



Colorado Department of Education
Auditors Integrity Report
 District: 1180 - Roaring Fork RE-1
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	16,866,848	83,426,180	82,239,721	18,053,307
18 Risk Mgmt Sub-Fund of General Fund	0	1,552,937	1,469,362	83,575
19 Colorado Preschool Program Fund	0	4,954,349	4,375,913	578,436
Sub- Total	16,866,848	89,933,465	88,084,995	18,715,318
11 Charter School Fund	4,342,232	10,105,068	10,271,681	4,175,619
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	1,207,098	3,393,831	3,487,862	1,113,066
22 Govt Designated-Purpose Grants Fund	0	6,380,683	6,380,683	0
23 Pupil Activity Special Revenue Fund	2,057,018	3,412,194	3,399,967	2,069,246
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	11,686,377	14,510,863	13,842,119	12,355,122
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	9,032,425	2,118,819	9,805,060	1,346,184
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	45,191,998	129,854,922	135,272,366	39,774,555
Proprietary				
50 Other Enterprise Funds	39,009,680	7,732,183	2,520,331	44,221,532
64 (63) Risk-Related Activity Fund	0	2,215,788	2,210,788	5,000
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	39,009,680	9,947,970	4,731,118	44,226,532
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Roaring Fork School District RE-1

Reports and Schedules for Reporting Requirements
Of Uniform Guidance





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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MAIN OFFICE: (970) 845-8800

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

**To the Board of Education
Roaring Fork School District RE-1
Carbondale, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roaring Fork School District RE-1 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 11, 2025.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

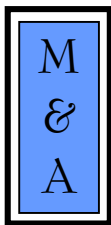
Member: American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District RE-1
Carbondale, Colorado**

Purpose of this Report

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

McMahan and Associates, L.L.C.
**McMahan and Associates, L.L.C.
Avon, Colorado
December 11, 2025**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: WWW.McMAHANCPA.COM

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
Roaring Fork School District RE-1
Carbondale, Colorado**

Report on Compliance for Each Major Program

We have audited the compliance of the Roaring Fork School District RE-1 (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District RE-1
Carbondale, Colorado

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Roaring Fork School District RE-1
Carbondale, Colorado

Purpose of this Report

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
December 11, 2025

**Roaring Fork School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs –	
Child Nutrition Cluster	ALN 10.553, 10.555, 10.559
Special Education Cluster	ALN 84.027, 84.173
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Roaring Fork School District RE-1
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

2024-001 Grant Revenue Recognition and Recording

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or Specific Requirement:

To align with the District's policy of accounting for grants, revenue should be recognized when the qualified expenditures have been incurred and all other grant requirements are met.

Condition:

The District did not accrue revenue totaling \$146,379 to match corresponding grant expenditures incurred in fiscal year 2024.

Causes:

The funds were received after year-end and staff did not adequately recognize the correct period the revenue should be accrued to.

Current Status:

The District has implemented controls to ensure all expenditures are accrued and properly reported.

**Roaring Fork School District RE-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant/Project Code</u>	<u>Expenditures</u>	
United States Department of Education				
Passed through Colorado Department of Education:				
Title I Grants to Local Educational Agencies	84.010	4010	\$ 659,735	
Title I School Support	84.010	5010	10,022	
Subtotal Title I			<u>669,757</u>	
Preschool Flowthrough (IDEA)	84.173	4173	21,480	C
Child Find & Part B Supplemental (IDEA)	84.027	4027	1,213,270	C
English Language Acquisition State Grants	84.365A	4365	134,361	
Improving Teacher Quality State Grants	84.367	4367	115,543	
COVID-19 ESSER III 90% – LEA Allocation	84.425U	4414	224,092	
Total United States Department of Education			<u>2,378,503</u>	
United States Department of Agriculture:				
Passed through Garfield, Pitkin and Eagle County Treasurers:				
Schools and Roads - Grants to States	10.665	7665	225,358	A
Passed through Colorado Department of Education:				
School Breakfast Program	10.553	4553	405,400	B
National School Lunch Program	10.555	4555	916,892	B
Summer Food Service Program for Children	10.559	4559	187,352	B
Passed through Colorado Department of Human Services:				
Food Distribution, Commodities (noncash)	10.555	4555	223,148	B
Subtotal - Food Distribution			<u>223,148</u>	
Total United States Department of Agriculture			<u>1,958,150</u>	
Total Federal Expenditures			<u>\$ 4,336,653</u>	

Additional Information for Clusters:

A Forest Service Schools and Roads Cluster	\$ 225,358
B Child Nutrition Cluster	1,732,792
C Special Education (IDEA) Cluster	1,234,750

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2025:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Roaring Fork School District RE-1, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of these general purpose financial statements.

Note 2. Determining the Value of Non-Cash Awards Expended:

Food Commodities: Assessed value provided by the Federal agency.

Note 3. Indirect Facilities and Administration Costs:

Roaring Fork School District RE-1 has elected to not use the 10% de minimis cost rate allowed in § 200.414, Indirect (F&A) Costs, of the Uniform Guidance.