



**SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
SILVERTON, COLORADO**

**FINANCIAL STATEMENTS
WITH THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

TABLE OF CONTENTS

June 30, 2025

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position 4

Statement of Activities 5

Governmental Funds Financial Statements

Balance Sheet 6

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position 8

Statement of Revenues, Expenditures and Changes in Fund Balances 9

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities 11

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position – Custodial Fund (Foundation) 12

Statement of Changes in Fiduciary Net Position -
Custodial Fund (Foundation) 13

Notes to the Financial Statements 14

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 37

Budgetary Comparison Schedule – Grants Fund 38

Schedule of Proportionate Share of the Net Pension Liability and Contributions 39

Schedule of Proportionate Share of the Net OPEB Liability and Contributions 41

Notes to the Required Supplementary Information 43

Supplementary Information

Nonmajor Combining Balance Sheet 45

Nonmajor Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 46

Budgetary Comparison Schedules

Food Service Fund 47

Student Activity Fund 48

Debt Service Fund 49

Capital Reserve Fund 50

Custodial Fund (Foundation) 51

COMPLIANCE SECTION

State Compliance

Auditor’s Integrity Report 52

INDEPENDENT AUDITOR'S REPORT

Board of Education
San Juan County School District No. 1
Silverton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Juan County School District No. 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 basic financial statements of the District, 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information and the auditor’s integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

December 12, 2025
Bailey, Colorado

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year 2024-2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Silverton School District, located in the remote mountain community of Silverton, Colorado, serves one of the smallest and most geographically isolated PK-12 student populations in the state. As the sole public school in San Juan County, the district provides comprehensive educational services within a unique environment shaped by high-altitude climate, limited year-round access, and a small but deeply engaged local community. The district operates a single PK-12 campus and fulfills multiple roles beyond traditional instruction, functioning as a central hub for youth programming, community events, and essential support services. Operating in a rural and tourism-based economy with a modest tax base, the district relies heavily on state funding mechanisms, grant opportunities and strategic partnerships to sustain robust educational offerings, experiential learning programs, and student support systems. These contextual factors significantly influence the district's financial structure, operational priorities, and long-term planning considerations as presented in this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ending June 30, 2025, are as follows:

- The district's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$7,545,808.
- The district's total net position of governmental activities decreased by \$288,468 primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its decrease in fund balance on a governmental fund basis of \$45,676. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 11.
- General Revenues accounted for \$2,134,807 or 63% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$1,209,541 or 37%, of the district's total revenues of \$3,344,348. The district had \$3,632,816 in expenses, of which \$1,209,541 were offset by program specific charges for services and sales, grants and contributions

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the San Juan County (Silverton) School District No. 1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also report on the district's operations in more detail than the government-wide statements by providing information about the most significant funds. For the District, the General Fund is the most significant fund. The Fiduciary Fund statements provide financial information about activities for which the district acts solely as a trustee or agent for the benefit of those outside of the reporting entity.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the district to provide programs and activities, the view of the district as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting like the accounting system used by most private sector companies. The basis of accounting considers all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of the government-wide financial statements is on the overall financial position of the district. These statements are constructed around the concept of a primary government, the district. As described below, the financial statements of fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the district's activities. However, the financial statements of fiduciary funds are included in the fund financial statements because the district is financially accountable for those resources, even though they belong to other parties.

The two statements report on the district's net position and changes therein. This change is important because it identifies whether the financial position of the district has improved or diminished for the district. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the district's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District has the following activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Fiscal Year Ended June 30, 2025

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the district's major funds. The district considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the district rather than the district as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The district's funds financial statements are divided into two broad categories: namely (1) governmental funds and (2) fiduciary funds.

Governmental Funds – The District's activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are financial resources that can be spent soon to finance educational programs. The relationship, or differences, between government-wide activities and governmental funds is reconciled in the financial statements. The district's major governmental funds are:

General Fund – The General Fund is the district's primary operating fund and accounts for most of the district's instruction and support operations.

Grant Fund– The Grants Fund is used to account for revenues and expenditures from federal, state, and local grants awarded to the district.

Food Service Fund – The Food Service Fund is a special revenue fund which accounts for the district's general food service activities with revenue sources specifically designated for such activities. This fund has been reclassified from a major fund to nonmajor fund.

Student Activities Fund – The Student Activities Fund accounts for student athletic/nonathletic activities and is a special revenue fund with revenue sources raised specifically from such activities. This fund has been reclassified from a major fund to a nonmajor fund.

Debt Service Fund – The Debt Service Fund accounts for transactions related to debt service of the district's general obligation bonds and interest.

Capital Reserve Fund – The Capital Reserve Fund accounts for funds assigned for the acquisition of capital items such as land, vehicles, equipment and improvements to existing structures.

Fiduciary Fund – The District's fiduciary custodial fund is reported in the Statements of Fiduciary Net Position. The activities are excluded from the district's governmental funds because the district cannot use these assets to finance its operations. The fiduciary is responsible for ensuring that these assets are used for their intended purposes. The fiduciary fund is the:

Custodial (Foundation) Fund– The Custodial (*Foundation*) Fund accounts for funds available for future distribution by the foundation.

NOTES TO THE FINANCIAL STATEMENTS

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

REQUIRED SUPPLEMENTARY & SUPPLEMENTARY INFORMATION

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information required by U.S. generally accepted accounting principles, as well as other supplementary information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the district. Following is a summary of the district's net position for the fiscal year ending June 30, 2025 compared to 2024.

Silverton School District		
	Governmental Activities	
	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current and Other Assets	\$ 1,015,375	\$ 1,143,128
Capital Assets, Net	\$ 10,603,506	\$ 10,658,919
<i>Total Assets:</i>	<u>\$ 11,618,881</u>	<u>\$ 11,802,047</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to Pensions	\$ 748,198	\$ 1,308,667
Related to OPEB	\$ 23,425	\$ 32,560
<i>Total Deferred Outflows of Resources:</i>	<u>\$ 771,623</u>	<u>\$ 1,341,227</u>
<u>LIABILITIES</u>		
Current & Other Liabilities	\$ 385,817	\$ 319,018
Long Term Liabilities	\$ 605,488	\$ 859,034
Net Pension Liabilities	\$ 3,569,111	\$ 3,921,658
Net OPEB Liability	\$ 63,326	\$ 94,692
<i>Total Liabilities:</i>	<u>\$ 4,623,742</u>	<u>\$ 5,194,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to Pensions	\$ 186,535	\$ 82,717
Related to OPEB	\$ 34,419	\$ 31,458
<i>Total Deferred Inflows of Resources:</i>	<u>\$ 220,954</u>	<u>\$ 114,175</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,892,081	\$ 9,848,290
Restricted	\$ 330,127	\$ 285,411
Unrestricted	\$ (2,676,400)	\$ (2,299,425)
<i>Total Net Position:</i>	<u>\$ 7,545,808</u>	<u>\$ 7,834,276</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The district uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts for food service programs, amounts restricted for debt service requirements and statutorily required emergency reserves. The District's Statement of Net Position also includes the district's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The negative unrestricted assets balance merely represents that there are *long-term* obligations, including pensions, in excess of *currently* available resources.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

THE DISTRICT AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in an overall change in net position for the current fiscal year:

Silverton School District Changes Fund Balances		
Governmental Funds		
	<u>2025</u>	<u>2024</u>
<u>Revenues</u>		
Program Revenues Charges for Services, Grants and Contributions	\$ 1,209,541	\$ 1,520,840
State Equalization	\$ 721,934	\$ 635,529
Local Property Taxes and Specific Ownership Taxes	\$ 1,291,279	\$ 1,236,699
Investment Income	\$ 27,937	\$ 25,591
Other Revenue	\$ 93,657	\$ 69,239
<i>Total Revenues:</i>	<u>\$ 3,344,348</u>	<u>\$ 3,487,898</u>
<u>Expenses</u>		
Instructional	\$ 1,746,333	\$ 1,366,625
Support	\$ 1,886,483	\$ 2,364,272
<i>Total Expenses:</i>	<u>\$ 3,632,816</u>	<u>\$ 3,730,897</u>
Change in Net Position	\$ (288,468)	\$ (242,999)
Fund Balance, Beginning	\$ 7,834,276	\$ 8,077,275
Fund Balance, Ending	\$ 7,545,808	\$ 7,834,276

Most of the District's revenues come from the Public-School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2025, the net position of the district's governmental activities decreased by -\$288,468 primarily resulting from the district's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

THE DISTRICT AS A WHOLE --NET COST OF SERVICES

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The dependence on general revenues for governmental activities is apparent as taxes and other general revenues support the majority of the district's activities. The community as a whole is the primary support for the district's students.

THE DISTRICT'S FUNDS

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

Governmental Funds –

General Fund

The General Fund had an overall decrease in fund balance of \$53,064. The ending fund balance of \$289,003 is the amount available for future spending.

Grants Fund

The Grants Fund had an overall decrease in fund balance of \$1,079. The ending fund balance was negative \$1,079.

Food Service Fund

The Food Service Fund had an overall increase in fund balance of \$1,552. The ending fund balance was \$4,453.

Student Activities Fund

The Student Activities Fund had an increase in fund balance of \$27,083. The ending fund balance was \$238,177.

Debt Service Fund

The Debt Service Fund had an overall increase in fund balance of \$27,083. The ending fund balance of \$238,177 is the amount available for future debt service.

Capital Reserve Fund

The Capital Projects Fund had an overall decrease in fund balance of \$4,570. The ending fund balance of \$98,256 is the amount available for future capital outlay.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

GENERAL FUND BUDGETING HIGHLIGHTS

The district's procedures in establishing the budgetary data reflected in the financial statements are summarized in *Note 1(E)* of the financial statements. The district uses a line-item based budget which is designed to control line-item expenditures but provide flexibility for overall budgetary management. During the course of the current fiscal year the district amended its General Fund budget as needed. For budgetary basis, lease-purchase proceeds and related capital acquisitions have been netted in expenditures.

For the General Fund, actual revenues and other financing sources of \$2,232,900 were less than final budgetary expectations of \$2,298,874 by -\$65,974. This is primarily due to local grants that were more than budgetary expectations.

The District's General Fund budgetary expenditures and other financing uses of \$2,657,836 were more than the actual expenditures of \$2,285,964 by \$521,026. This budgetary increase is primarily due to expenses in community services and business services.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item and to provide services in the most economical manner. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity.

CAPITAL ASSETS

At the end of fiscal year 2025, the district had a total of \$930,039 invested in capital assets, not being depreciated and \$673,467 in capital assets being depreciated. Note 3 of the audit found on page 19 for additional information.

DEBT ADMINISTRATION

On June 30, 2025, the district had \$382,295 in outstanding general obligation bonds and \$327,400 of financed purchase obligations; of which the current principal portion to be paid in the next fiscal year is \$104,207. The bonds are being paid from a mill levy in the Bond Redemption fund over a 20-year period with the last payment due in fiscal year 2030. In addition, the district also has a long-term liability for accrued compensated absences in the amount of \$46,270.

Additional information can be found in *Note 5* of the financial statements.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The Public School Finance Act of 1994 (SFA) is the largest source of revenue for the district's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using several factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

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

The district has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

It is important to note that the requirements for the reporting of the proportionate share of the net pension and net OPEB liabilities do not necessarily reflect the financial condition of a governmental entity because the liabilities cannot be made immediately due and payable. Furthermore, the District has no legal obligation to fund PERA's unfunded accrued actuarial liability, nor does the district have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined pension plan. It is also important to note that the reporting requirements have no impact on the district's fund-level financial statements which are used for internal and budgetary use; rather, the change only affects the district's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements. To find additional information regarding the defined benefit pension plan, please refer to Note 7 beginning on page 22.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

San Juan County School District No. 1
Attn: Business Office
P.O. Box 128; 1160 Snowden Street
Silverton, Colorado 81433
Tel: (970) 387-5543
Fax: (970) 387-5791

BASIC FINANCIAL STATEMENTS

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 636,989
Accounts Receivable	11,553
Grants Receivable	22,454
Taxes Receivable	342,481
Inventories	1,898
Capital Assets, <i>Not Being Depreciated</i>	930,039
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>9,673,467</u>
TOTAL ASSETS	<u>11,618,881</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	748,198
OPEB, <i>Net of Accumulated Amortization</i>	<u>23,425</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>771,623</u>
LIABILITIES	
Accounts Payable	14,407
Accrued Salaries and Benefits	201,616
Accrued Interest Payable	1,730
Unearned Revenue	17,587
Long-Term Liabilities	
Due Within One Year	150,477
Due in More Than One Year	605,488
Net Pension Liability	3,569,111
Net OPEB Liability	<u>63,326</u>
TOTAL LIABILITIES	<u>4,623,742</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	186,535
OPEB, <i>Net of Accumulated Amortization</i>	<u>34,419</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>220,954</u>
NET POSITION	
Net Investment in Capital Assets	9,892,081
Restricted for:	
Emergencies	85,000
Preschool	6,125
Food Service	2,555
Debt Service	236,447
Unrestricted	<u>(2,676,400)</u>
TOTAL NET POSITION	<u>\$ 7,545,808</u>

See Notes to the Financial Statements.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction	\$ 1,746,333	\$ 29,052	\$ 584,638	\$ (1,132,643)
Supporting Services	1,774,132	32,722	492,419	(1,248,991)
Food Services	90,897	3,006	67,704	(20,187)
Interest on Long-Term Debt	21,454	-	-	(21,454)
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 3,632,816</u>	 <u>\$ 64,780</u>	 <u>\$ 1,144,761</u>	 <u>(2,423,275)</u>
GENERAL REVENUES				
				1,208,328
Local Property Taxes				82,951
Specific Ownership Taxes				721,934
State Equalization				77,385
Grants and Contributions not Restricted to Specific Programs				27,937
Investment Income				16,272
Miscellaneous				<u>16,272</u>
 TOTAL GENERAL REVENUES				 <u>2,134,807</u>
 CHANGE IN NET POSITION				 (288,468)
 NET POSITION, Beginning				 <u>7,834,276</u>
 NET POSITION, Ending				 <u>\$ 7,545,808</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>GENERAL</u>	<u>GRANTS</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash and Investments	\$ 197,868	\$ 87,695	\$ 221,477
Accounts Receivable	11,553	-	-
Taxes Receivable	316,446	-	26,035
Grants Receivable	17,000	2,599	-
Interfund Receivable	2,265	-	-
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 545,132</u></u>	<u><u>\$ 90,294</u></u>	<u><u>\$ 247,512</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 10,923	\$ 3,471	\$ -
Accrued Salaries and Benefits	131,301	70,315	-
Interfund Payable	-	-	-
Unearned Revenue	-	17,587	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>142,224</u>	<u>91,373</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax	<u>113,905</u>	<u>-</u>	<u>9,335</u>
FUND BALANCES			
Nonspendable Inventories	-	-	-
Restricted for:			
Emergencies	85,000		
Preschool	6,125	-	-
Food Services	-	-	-
Debt Service	-	-	238,177
Assigned to:			
Student Activities	-	-	-
Capital Projects	-	-	-
Unassigned	<u>197,878</u>	<u>(1,079)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>289,003</u>	<u>(1,079)</u>	<u>238,177</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 545,132</u></u>	<u><u>\$ 90,294</u></u>	<u><u>\$ 247,512</u></u>

<u>CAPITAL RESERVE</u>	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITIES</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ 98,256	\$ -	\$ -	\$ 31,693	\$ 636,989
-	-	-	-	11,553
-	-	-	-	342,481
-	-	-	2,855	22,454
-	-	-	-	2,265
-	-	-	1,898	1,898
<u>\$ 98,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,446</u>	<u>\$ 1,017,640</u>
\$ -	\$ -	\$ -	\$ 13	\$ 14,407
-	-	-	-	201,616
-	-	-	2,265	2,265
-	-	-	-	17,587
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,278</u>	<u>235,875</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,240</u>
-	-	-	1,898	1,898
-	-	-	-	85,000
-	-	-	-	6,125
-	-	-	2,555	2,555
-	-	-	-	238,177
-	-	-	29,715	29,715
98,256	-	-	-	98,256
-	-	-	-	196,799
<u>98,256</u>	<u>-</u>	<u>-</u>	<u>34,168</u>	<u>658,525</u>
<u>\$ 98,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,446</u>	<u>\$ 1,017,640</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	658,525
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		10,603,506
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		123,240
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(1,730)
Bonds Payable		(382,295)
Financed Purchase Payable		(327,400)
Accrued Compensated Absences		(46,270)
Net Pension Liability		(3,569,111)
Pension-Related Deferred Outflows of Resources		748,198
Pension-Related Deferred Inflows of Resources		(186,535)
Net OPEB Liability		(63,326)
OPEB-Related Deferred Outflows of Resources		23,425
OPEB-Related Deferred Inflows of Resources		(34,419)
		(7,545,808)
Total Net Position of Governmental Activities	\$	7,545,808

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>GENERAL</u>	<u>GRANTS</u>	<u>DEBT SERVICE</u>
REVENUES			
Local Sources	\$ 1,341,110	\$ -	\$ 107,356
County Sources	29,722	-	-
State Sources	837,068	638,112	-
Federal Sources	25,000	288,811	-
	<u>2,232,900</u>	<u>926,923</u>	<u>107,356</u>
TOTAL REVENUES	2,232,900	926,923	107,356
EXPENDITURES			
Current			
Instruction	1,121,485	251,790	-
Supporting Services	965,377	676,212	-
Food Services	-	-	-
Capital Outlay	22,245	-	-
Debt Service			
Principal	28,524	-	72,410
Interest and Fiscal Charges	13,756	-	7,863
	<u>2,151,387</u>	<u>928,002</u>	<u>80,273</u>
TOTAL EXPENDITURES	2,151,387	928,002	80,273
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>81,513</u>	<u>(1,079)</u>	<u>27,083</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(134,577)	-	-
	<u>(134,577)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	(134,577)	-	-
CHANGES IN FUND BALANCES	(53,064)	(1,079)	27,083
FUND BALANCES, Beginning, as Originally Stated	342,067	-	211,094
Reclassification of Funds from Major to Nonmajor	-	-	-
	<u>342,067</u>	<u>-</u>	<u>211,094</u>
FUND BALANCES, Beginning, as Reclassified	342,067	-	211,094
FUND BALANCES, Ending	<u>\$ 289,003</u>	<u>\$ (1,079)</u>	<u>\$ 238,177</u>

CAPITAL RESERVE	FOOD SERVICE	STUDENT ACTIVITIES	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 4,570	\$ -	\$ -	\$ 30,794	\$ 1,483,830
-	-	-	-	29,722
-	-	-	16,434	1,491,614
-	-	-	23,514	337,325
<u>4,570</u>	<u>-</u>	<u>-</u>	<u>70,742</u>	<u>3,342,491</u>
-	-	-	52,526	1,425,801
-	-	-	-	1,641,589
-	-	-	84,225	84,225
91,754	-	-	-	113,999
-	-	-	-	100,934
-	-	-	-	21,619
<u>91,754</u>	<u>-</u>	<u>-</u>	<u>136,751</u>	<u>3,388,167</u>
<u>(87,184)</u>	<u>-</u>	<u>-</u>	<u>(66,009)</u>	<u>(45,676)</u>
91,754	-	-	42,823	134,577
-	-	-	-	(134,577)
<u>91,754</u>	<u>-</u>	<u>-</u>	<u>42,823</u>	<u>-</u>
4,570	-	-	(23,186)	(45,676)
93,686	2,901	54,453	-	704,201
-	(2,901)	(54,453)	57,354	-
<u>93,686</u>	<u>-</u>	<u>-</u>	<u>57,354</u>	<u>704,201</u>
<u>\$ 98,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,168</u>	<u>\$ 658,525</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	(45,676)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:</p>		
Capital Outlay		129,918
Depreciation		(182,654)
Loss on Disposal of Capital Assets		(2,677)
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.</p>		
		1,857
<p>The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
		100,934
<p>Some expenses 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 includes the changes in the following:</p>		
Accrued Interest Payable		165
Accrued Compensated Absences		2,135
Net Pension Liability		352,547
Pension-Related Deferred Outflows of Resources		(560,469)
Pension-Related Deferred Inflows of Resources		(103,818)
Net OPEB Liability		31,366
OPEB-Related Deferred Outflows of Resources		(9,135)
OPEB-Related Deferred Inflows of Resources		(2,961)
		(288,468)
Change in Net Position of Governmental Activities	\$	(288,468)

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND (FOUNDATION)
June 30, 2025

	<u>CUSTODIAL FUND (FOUNDATION)</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>109,884</u>
NET POSITION	
Restricted for Foundation Purposes	\$ <u><u>109,884</u></u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
STATEMENT CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND (FOUNDATION)
Year Ended June 30, 2025

	CUSTODIAL FUND (FOUNDATION)
ADDITIONS	
Investment Income	\$ <u>5,582</u>
CHANGE IN NET POSITION	5,582
NET POSITION, Beginning	<u>104,302</u>
NET POSITION, Ending	<u><u>\$ 109,884</u></u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the San Juan County School District No. 1 (the District) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Grants Fund* is used to account for revenues and expenditures from federal, state, and local grants awarded to the District.

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

The *Capital Reserve Fund* is used to account for the resources accumulated to acquire capital assets. District has elected to present this fund as a major fund.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

The District reclassified the food service fund and student activity fund from major to nonmajor.

Additionally, the District reports the following fund type:

Fiduciary Funds account for assets held by the District as an agent for individuals, private organizations, and other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The Foundation Custodial Fund is a fiduciary fund.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

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

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

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

Cash and Investments – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

Inventories - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Interfund Receivables and Payables – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	20 to 75 years
Equipment	3 to 10 years
Vehicles	10 years

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Unearned Revenue – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – The leave policy allows for sick, vacation, and personal leave. Unused vacation and personal leave are converted into additional sick leave days. Upon termination of employment at the District, employees who have been employed by the District for at least five years shall be paid for unused sick days up to 90 days, at a rate based upon 50% of the average daily rate of pay for the employee during their last five years of employment at 50% of their accrued sick leave balance.

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

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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 and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms.

Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and their designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

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

Cash on Hand	\$ 20
Deposits	9,873
Investments	736,980
Total	<u>\$ 746,873</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 636,989
Fiduciary Funds	109,884
Total	<u>\$ 746,873</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the District had no bank deposits collateralized with securities held by the financial institution's agent but not in the District's name.

Custodial Fund (Foundation) Investments

At June 30, 2025, the Foundation (Custodial Fund) invested \$85,675 in Money Market Funds and \$17,578 in Certificates of Deposit. Investment is a member of the Securities Investor Protection Corporation (SIPC), which protects clients of its members in liquidation up to \$500,000 (limited to \$250,000 on claims for cash). These investments are reported as a level 1 investment.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Fair Value Measurements - At June 30, 2025, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2025, the District had \$633,727 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at \$1. The Pool is rated AAAM by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	<u>Balances</u> <u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>6/30/2025</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 890,723	\$ -	\$ -	\$ 890,723
Construction in Progress	<u>-</u>	<u>39,316</u>	<u>-</u>	<u>39,316</u>
Total Capital Assets, Not Being Depreciated	<u>890,723</u>	<u>39,316</u>	<u>-</u>	<u>930,039</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	12,341,746	90,602	6,109	12,426,239
Equipment and Vehicles	<u>594,742</u>	<u>-</u>	<u>21,907</u>	<u>572,835</u>
Total Capital Assets, Being Depreciated	<u>12,936,488</u>	<u>90,602</u>	<u>28,016</u>	<u>12,999,074</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,698,693)	(158,026)	(3,432)	(2,853,287)
Equipment and Vehicles	<u>(469,599)</u>	<u>(24,628)</u>	<u>(21,907)</u>	<u>(472,320)</u>
Total Accumulated Depreciation	<u>(3,168,292)</u>	<u>(182,654)</u>	<u>(25,339)</u>	<u>(3,325,607)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,768,196</u>	<u>(92,052)</u>	<u>2,677</u>	<u>9,673,467</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,658,919</u>	<u>\$ (52,736)</u>	<u>\$ 2,677</u>	<u>\$ 10,603,506</u>

Depreciation expense of the governmental activities was charged to programs of the District as follows:

Supporting Services	\$ 181,704
Food Services	<u>950</u>
Total	<u>\$ 182,654</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 4: Interfund Balances and Transfers

During the fiscal year ended June 30, 2025, the General Fund transferred \$91,754 to the Capital Reserve Fund and \$42,823 to the Food Service Fund to subsidize capital projects and to subsidize food service, respectively.

The General Fund also temporarily subsidized \$2,265 of expenditures in the Food Service Fund and the Student Activity Fund. The Food Service Fund and the Student Activity Fund repaid this amount after year end.

NOTE 5: Long-Term Debt

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

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due in One Year
Governmental Activities					
2010 Bonds	\$ 454,705	\$ -	\$ 72,410	\$ 382,295	\$ 73,727
Financed Purchases	355,924	-	28,524	327,400	30,480
Compensated Absences	48,405	-	2,135	46,270	-
Total	\$ 859,034	\$ -	\$ 103,069	\$ 755,965	\$ 104,207

General Obligation Bonds

On March 2, 2010, the District issued General Obligation Bonds, Series 2010B-C, in the amount of \$1,200,000 approved at the District's election on November 3, 2009. The District also received financial assistance from the State of Colorado under the Building Excellent Schools Today (BEST) Act in the amount of \$9,478,924. The financing was for the purposes of mitigating the health and safety conditions of District facilities, improving the functionality of the facilities as learning environments, and improving technology infrastructure by financing the following: renovation, repair and improvement of the District's historic 1911 school building; the renovation, repair and improvement of the District's gymnasium; improvements to the school grounds and campus site; and, to the extent funds are available after providing for the above purposes, equipping school facilities and paying ancillary project costs. The bonds had an original coupon interest rate of 3.84% per annum, which was reduced to 1.82% per annum in 2022, which resulted in \$57,557 savings throughout the term of the bonds. The bonds are payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2029. The bonds are secured by the District's covenant to certify a levy sufficient to meet principal and interest payments with respect to the bonds.

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 73,727	\$ 6,284	\$ 80,011
2027	75,068	4,931	79,999
2028	76,434	3,553	79,987
2029	77,825	2,150	79,975
2030	79,241	721	79,962
Total	\$ 382,295	\$ 17,639	\$ 399,934

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 5: Long-Term Debt (Continued)

Financed Purchase Obligations

On February 28, 2017, the District entered into a financed purchase agreement with Citizens State Bank of Ouray for the purpose of acquiring a parcel of land to be used as a school facility. Total principal payments over the full term will be \$450,000. The financed purchase is for 240 months at a stated interest rate of 3.30% per annum with monthly payments of \$2,564 due and payable on the 28th of each month through June 28, 2037. Payments are made from the General Fund. Financed purchase payments for land acquisition to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 21,265	\$ 9,501	\$ 30,766
2027	21,977	8,788	30,765
2028	22,692	8,074	30,766
2029	23,474	7,292	30,766
2030	24,260	6,505	30,765
2031-2035	134,038	19,791	153,829
2035-2036	49,864	1,459	51,323
Total	<u>\$ 297,570</u>	<u>\$ 61,410</u>	<u>\$ 358,980</u>

On March 1, 2024, the District entered into a financed purchase agreement with GMC for the purpose of acquiring a vehicle. Total principal payments over the full term will be \$62,399. The lease-purchase is for five years at a stated interest rate of 7.709% with annual payments of \$11,514 through March 1, 2028. Payments are made from the General Fund. Financed purchase payments to maturity for the vehicle are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,215	\$ 2,300	\$ 11,515
2027	9,925	1,589	11,514
2028	10,690	824	11,514
Total	<u>\$ 29,830</u>	<u>\$ 4,713</u>	<u>\$ 34,543</u>

NOTE 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided as of December 31, 2024 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date of employment was terminated, whether five 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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2025, were \$328,346, equal to the required contributions at a contribution rate of 20.38%.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

The net pension liability was measured at 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 the District's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the District's proportion was 0.0206846268%, which was a decrease of 0.0014924017% from its proportion measured at December 31, 2023.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,569,111
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>320,563</u>
Total	<u>\$ 3,889,674</u>

For the year ended June 30, 2025, the District recognized pension expense of \$504,380 and a revenue of (\$33,806) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,112	\$ -
Changes of assumptions and other inputs	26,758	-
Net difference between projected and actual earnings on plan investments	67,337	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	286,313	186,535
Contributions subsequent to the measurement date	<u>165,678</u>	<u>-</u>
Total	<u>\$ 748,198</u>	<u>\$ 186,535</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

District contributions subsequent to the measurement date of \$165,678 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ 316,614
2027	254,546
2028	(127,150)
2029	<u>(48,025)</u>
Total	<u>\$ 395,985</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability 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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of 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 of Directors at their November 20, 2020, meeting.

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

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 of Directors 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 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. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projected scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

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>	

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

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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 Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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, required adjustments resulting from the 2018 and 2020 AAP assessments. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

Based on the above assumptions and methods, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension 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 Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	<u>\$ 4,838,888</u>	<u>\$ 3,569,111</u>	<u>\$ 2,505,496</u>

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

Enrollment in the PERACare health benefits program is voluntary and 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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State 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 recipients not covered by Medicare Part A.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2025, was \$16,433, equal to the required amount.

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

At June 30, 2025, the District reported a net OPEB liability of \$63,326, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at 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 ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0132435154%, which was a decrease of 0.0000237951% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$2,483). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 13,969
Changes of assumptions and other inputs	725	20,241
Net difference between projected and actual earnings on plan investments	216	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	14,192	563
Contributions subsequent to the measurement date	<u>8,292</u>	<u>-</u>
Total	<u>\$ 23,425</u>	<u>\$ 34,773</u>

District contributions subsequent to the measurement date of \$8,292 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Year Ended June 30,

2026	\$ (3,861)
2027	(541)
2028	(5,547)
2029	(4,480)
2030	(3,390)
2031	<u>(1,821)</u>
Total	<u>\$ (19,640)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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%

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

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

Sample Age	MAPD PPO #1 without Medicare		MAPD PPO #2 without Medicare		MAPD HMO (Kaiser) without Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for 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 \$506 per month. All costs are subject to the health care cost trend rates.

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. 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.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

Measurement Year	PERACare	PERACare	Medicare Part A
	Medicare Plans *	Medicare Plans *	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%

*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 determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.

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

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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 of Directors 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.

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

- Salary increases, including wage inflation for the SDTF were 4% - 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.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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 categories in 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 SDTF participate in the HCTF (Note 7).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubG-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

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 of Director’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.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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 PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

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>	

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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%.
- 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.

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

- 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 December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the HCTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the 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 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 (7.25%)</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare 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 rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 61,620</u>	<u>\$ 63,326</u>	<u>\$ 65,257</u>

** For the January 1, 2025, plan year.

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 77,607</u>	<u>\$ 63,326</u>	<u>\$ 51,014</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 9: Commitments and Contingencies

Claims and Judgments

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

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$85,000.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the San Juan Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$21,192 to the BOCES. Separate financial statements for the BOCES are available at 701 Camino Del Rio Suite 221, Durango, Colorado 81301 or online at <https://www.sjboces.org/>.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 1,467,253	\$ 1,372,406	\$ 1,341,110	\$ (31,296)
County Sources	80,500	57,500	29,722	(27,778)
State Grants	750,684	843,968	837,068	(6,900)
Federal Grants	25,000	25,000	25,000	-
TOTAL REVENUES	2,323,437	2,298,874	2,232,900	(65,974)
EXPENDITURES				
Current				
Instruction	1,193,516	1,166,465	1,121,485	44,980
Supporting Services				
Students	37,176	23,785	13,089	10,696
Instructional Staff	10,500	10,500	7,100	3,400
General Administration	428,080	387,549	389,249	(1,700)
School Administration	22,500	22,500	41,431	(18,931)
Business Services	96,600	96,600	132,068	(35,468)
Operations and Maintenance	293,687	299,417	296,562	2,855
Student Transportation	33,730	33,730	34,875	(1,145)
Central Support	10,412	10,411	12,927	(2,516)
Community Services	12,500	12,500	38,076	(25,576)
Total Supporting Services	945,185	896,992	965,377	(68,385)
Capital Outlay	27,500	27,500	22,245	5,255
Debt Service				
Principal	17,415	17,415	28,524	(11,109)
Interest	15,850	15,850	13,756	2,094
Total Debt Service	33,265	33,265	42,280	(9,015)
Contingencies	433,452	473,614	-	473,614
TOTAL EXPENDITURES	2,632,918	2,597,836	2,151,387	446,449
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(309,481)	(298,962)	81,513	380,475
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	78,395	-	(78,395)
Transfers Out	(60,000)	(60,000)	(134,577)	(74,577)
TOTAL OTHER FINANCING SOURCES (USES)	(35,000)	18,395	(134,577)	(152,972)
CHANGE IN FUND BALANCE	(344,481)	(280,567)	(53,064)	227,503
FUND BALANCE, Beginning	355,876	342,067	342,067	-
FUND BALANCE, Ending	\$ 11,395	\$ 61,500	\$ 289,003	\$ 227,503

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
State Grants	\$ 685,410	\$ 672,769	\$ 638,112	\$ (34,657)
Federal Grants	285,021	288,811	288,811	-
TOTAL REVENUES	970,431	961,580	926,923	(34,657)
EXPENDITURES				
Current				
Instruction	251,531	262,012	251,790	10,222
Supporting Services				
Salaries	439,300	421,400	425,011	(3,611)
Benefits	141,990	140,590	158,276	(17,686)
Purchased Services	70,100	55,390	51,525	3,865
Supplies and Materials	37,510	48,410	41,400	7,010
TOTAL EXPENDITURES	940,431	927,802	928,002	(200)
CHANGE IN FUND BALANCE	30,000	33,778	(1,079)	(34,857)
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ 30,000	\$ 33,778	\$ (1,079)	\$ (34,857)

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0206846268%	0.0221770285%	0.0174819752%	0.0188803244%
District's Proportionate Share of the Net Pension Liability	\$ 4,838,888	\$ 3,921,658	\$ 3,183,374	\$ 2,197,172
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>320,563</u>	<u>84,145</u>	<u>718,337</u>	<u>225,973</u>
Total Proportionate Share of the Net Pension Liability	<u>5,159,451</u>	<u>4,005,803</u>	<u>3,901,711</u>	<u>2,423,145</u>
District's Covered Payroll	\$ 1,598,397	\$ 1,466,101	\$ 1,348,752	\$ 1,179,957
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	303%	267%	236%	186%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	75%	75%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 328,346	\$ 320,969	\$ 276,543	\$ 258,769
Contributions in Relation to the Statutorily Required Contribution	<u>(328,346)</u>	<u>(320,969)</u>	<u>(276,543)</u>	<u>(258,769)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,611,115	\$ 1,574,918	\$ 1,356,932	\$ 1,301,651
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0183522398%	0.0156464462%	0.0168501489%	0.0173615666%	0.0176699099%	0.0175847469%
\$ 2,774,488	\$ 2,337,545	\$ 2,983,665	\$ 5,614,114	\$ 5,261,015	\$ 2,689,463
<u>-</u>	<u>263,115</u>	<u>358,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,774,488</u>	<u>2,600,660</u>	<u>3,342,565</u>	<u>5,614,114</u>	<u>5,261,015</u>	<u>2,689,463</u>
\$ 980,930	\$ 919,527	\$ 926,346	\$ 873,144	\$ 799,531	\$ 755,526
283%	254%	322%	643%	658%	356%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 213,621	\$ 179,137	\$ 178,224	\$ 165,141	\$ 146,877	\$ 133,957
<u>(213,621)</u>	<u>(179,137)</u>	<u>(178,224)</u>	<u>(165,141)</u>	<u>(146,877)</u>	<u>(133,957)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,074,550	\$ 924,338	\$ 931,646	\$ 874,144	\$ 799,531	\$ 755,526
19.88%	19.38%	19.13%	18.89%	18.37%	17.73%

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0132435154%	0.0132673105%	0.0132912732%	0.0123273917%
District's Proportionate Share of the Net OPEB Liability	\$ 63,326	\$ 94,692	\$ 108,520	\$ 106,300
District's Covered Payroll	\$ 1,598,397	\$ 1,466,101	\$ 1,348,752	\$ 1,179,957
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 16,433	\$ 16,064	\$ 13,841	\$ 13,277
Contributions in Relation to the Statutorily Required Contribution	<u>(16,433)</u>	<u>(16,064)</u>	<u>(13,841)</u>	<u>(13,277)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,611,115	\$ 1,574,918	\$ 1,356,932	\$ 1,301,651
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Information for the full 10-year period will be presented for the years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
0.0106075544%	0.0102265363%	0.0109527230%	\$ 0.0098647890%	\$ 0.0100437964%
\$ 100,796	\$ 114,946	\$ 149,016	\$ 128,203	\$ 130,221
\$ 980,930	\$ 919,527	\$ 926,346	\$ 873,144	\$ 799,531
10%	13%	16%	15%	16%
33%	24%	17%	18%	17%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>
\$ 10,960	\$ 9,428	\$ 9,503	\$ 8,916	\$ 8,155
<u>(10,960)</u>	<u>(9,428)</u>	<u>(9,503)</u>	<u>(8,916)</u>	<u>(8,155)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,074,550	\$ 924,338	\$ 931,646	\$ 874,144	\$ 799,531
1.02%	1.02%	1.02%	1.02%	1.02%

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance and Accountability

During the fiscal year ended June 30, 2025, the District's Debt Service Fund and the Food Service Fund budgeted expenditures exceeded the available resources in the amount of \$12,000 and \$282, respectively. In addition, Grants Fund had a negative fund balance in the amount of \$1,079. These may be a violation of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

HCTF Plan - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
(Continued)

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – 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%.

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

HCTF Plan – 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.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://copera.org/forms-resources/financial-reports-and-studies>.

SUPPLEMENTARY INFORMATION

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ -	\$ 31,693	\$ 31,693
Grants Receivable	2,855	-	2,855
Inventories	1,898	-	1,898
	<u>4,753</u>	<u>31,693</u>	<u>36,446</u>
TOTAL ASSETS	\$ 4,753	\$ 31,693	\$ 36,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 13	\$ -	\$ 13
Interfund Payable	287	1,978	2,265
	<u>300</u>	<u>1,978</u>	<u>2,278</u>
TOTAL LIABILITIES	300	1,978	2,278
FUND BALANCES			
Nonspendable Inventories	1,898	-	1,898
Restricted for Food Service	2,555	-	2,555
Assigned to:			-
Student Activities	-	29,715	29,715
Capital Projects	-	-	-
	<u>4,453</u>	<u>29,715</u>	<u>34,168</u>
TOTAL FUND BALANCES	4,453	29,715	34,168
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,753	\$ 31,693	\$ 36,446

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>TOTAL</u>
REVENUES			
Local Sources	\$ 3,006	\$ 27,788	\$ 30,794
State Sources	16,434	-	16,434
Federal Sources	23,514	-	23,514
	<u>42,954</u>	<u>27,788</u>	<u>70,742</u>
TOTAL REVENUES	<u>42,954</u>	<u>27,788</u>	<u>70,742</u>
EXPENDITURES			
Current			
Instruction	-	52,526	52,526
Food Services	84,225	-	84,225
Capital Outlay	-	-	-
	<u>84,225</u>	<u>52,526</u>	<u>136,751</u>
TOTAL EXPENDITURES	<u>84,225</u>	<u>52,526</u>	<u>136,751</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(41,271)</u>	<u>(24,738)</u>	<u>(66,009)</u>
OTHER FINANCING SOURCES			
Transfers In	42,823	-	42,823
	<u>42,823</u>	<u>-</u>	<u>42,823</u>
CHANGES IN FUND BALANCES	1,552	(24,738)	(23,186)
FUND BALANCES, Beginning, as Originally Stated	-	-	-
Reclassification of Funds from Major to Nonmajor	2,901	54,453	57,354
	<u>2,901</u>	<u>54,453</u>	<u>57,354</u>
FUND BALANCES, Beginning, as Reclassified	<u>2,901</u>	<u>54,453</u>	<u>57,354</u>
FUND BALANCES, Ending	<u>\$ 4,453</u>	<u>\$ 29,715</u>	<u>\$ 34,168</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ -	\$ -	\$ 3,006	\$ 3,006
State Grants	11,000	11,000	16,434	5,434
Federal Grants	45,520	45,520	23,514	(22,006)
TOTAL REVENUES	<u>56,520</u>	<u>56,520</u>	<u>42,954</u>	<u>(13,566)</u>
EXPENDITURES				
Current				
Salaries	34,007	34,007	37,721	(3,714)
Benefits	17,313	17,313	15,603	1,710
Supplies and Materials	30,200	33,101	30,901	2,200
TOTAL EXPENDITURES	<u>81,520</u>	<u>84,703</u>	<u>84,225</u>	<u>478</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,000)</u>	<u>(28,183)</u>	<u>(41,271)</u>	<u>(13,088)</u>
OTHER FINANCING SOURCES				
Transfers In	25,000	25,000	42,823	17,823
CHANGE IN FUND BALANCE	-	(3,183)	1,552	4,735
FUND BALANCE, Beginning	<u>-</u>	<u>2,901</u>	<u>2,901</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ (282)</u>	<u>\$ 4,453</u>	<u>\$ 4,735</u>

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 30,000	\$ 79,453	\$ 27,756	\$ (51,697)
Investment Income	250	250	32	(218)
TOTAL REVENUES	30,250	79,703	27,788	(51,915)
EXPENDITURES				
Current				
Instruction	95,250	64,703	52,526	12,177
Contingency	-	20,000	-	20,000
TOTAL EXPENDITURES	95,250	84,703	52,526	32,177
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(65,000)	(5,000)	(24,738)	(19,738)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,000	-	(5,000)
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	5,000	-	(5,000)
CHANGE IN FUND BALANCE	(65,000)	-	(24,738)	(24,738)
FUND BALANCE, Beginning	65,000	54,557	54,453	(104)
FUND BALANCE, Ending	\$ -	\$ 54,557	\$ 29,715	\$ (24,842)

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 92,673	\$ 92,673	\$ 98,375	\$ 5,702
Investment Income	10,000	-	8,981	8,981
TOTAL REVENUES	102,673	92,673	107,356	14,683
EXPENDITURES				
Debt Service				
Principal	72,410	72,410	72,410	-
Interest	7,613	7,613	7,613	-
Fees and Charges	250	250	250	-
Contingency	214,900	235,494	-	235,494
TOTAL EXPENDITURES	295,173	315,767	80,273	235,494
CHANGE IN FUND BALANCE	(192,500)	(223,094)	27,083	250,177
FUND BALANCE, Beginning	192,500	211,094	211,094	-
FUND BALANCE, Ending	\$ -	\$ (12,000)	\$ 238,177	\$ 250,177

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 4,500	\$ 6,000	\$ 4,570	\$ (1,430)
EXPENDITURES				
Capital Outlay	129,500	149,686	91,754	57,932
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(125,000)	(143,686)	(87,184)	56,502
OTHER FINANCING SOURCES				
Transfers In	50,000	50,000	91,754	41,754
CHANGE IN FUND BALANCE	(75,000)	(93,686)	4,570	98,256
FUND BALANCE, Beginning	75,000	93,686	93,686	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 98,256	\$ 98,256

SAN JUAN COUNTY (SILVERTON) SCHOOL DISTRICT NO. 1
BUDGETARY COMPARISON SCHEDULE
CUSTODIAL FUND (FOUNDATION)□
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
ADDITIONS				
Local Sources	\$ 6,000	\$ 7,500	\$ 5,582	\$ (1,918)
DEDUCTIONS				
Fiscal Charges	1,000	1,000	-	1,000
Scholarships	99,040	104,302	-	104,302
Reserves	5,000	6,500	-	6,500
TOTAL DEDUCTIONS	<u>105,040</u>	<u>111,802</u>	<u>-</u>	<u>111,802</u>
CHANGE IN FUND BALANCE	(99,040)	(104,302)	5,582	109,884
FUND BALANCE, Beginning	<u>99,040</u>	<u>104,302</u>	<u>104,302</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,884</u>	<u>\$ 109,884</u>

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2820 - Silverton 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	342,067	2,098,322	2,151,386	289,003
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	342,067	2,098,322	2,151,386	289,003
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,900	85,775	84,222	4,453
22 Govt Designated-Purpose Grants Fund	0	926,922	928,001	-1,079
23 Pupil Activity Special Revenue Fund	54,452	27,788	52,525	29,715
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	211,094	107,357	80,274	238,178
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	93,686	96,324	91,754	98,256
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	704,200	3,342,488	3,388,162	658,526
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	104,302	5,583	0	109,884
Totals	104,302	5,583	0	109,884

FINAL