



**TELLURIDE SCHOOL DISTRICT R-1
TELLURIDE, COLORADO**

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

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

TELLURIDE SCHOOL DISTRICT R-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

Notes to the Financial Statements..... 12

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 37

Schedule of Proportionate Share of the Net Pension Liability and Contributions 38

Schedule of Proportionate Share of the Net OPEB Liability and Contributions..... 40

Notes to the Required Supplementary Information..... 42

Supplementary Information

Combining and Individual Fund Statements – Balance Sheet 44

Combining and Individual Fund Statements –
Statement of Revenues, Expenditures, and Changes in Fund Balances 46

Budgetary Comparison Schedules

Food Service Fund..... 48

Student Activity Fund..... 49

Transportation Fund 50

Affordable Housing Fund..... 51

Palm Theatre Fund 52

Debt Service Fund 53

Building Fund..... 54

COMPLIANCE SECTION

State Compliance

Auditor’s Integrity Report 55

INDEPENDENT AUDITOR’S REPORT

Board of Education
Telluride School District R-1
Telluride, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Telluride School District R-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.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, as of June 30, 2024, the District adopted new accounting guidance, GASBS No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 17, 2025
Bailey, Colorado

TELLURIDE SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Telluride School District R-1 is a public school district located in San Miguel County in southwest Colorado. The District consists of Telluride Elementary, Intermediate, and Middle/High School. The District is a political subdivision of the State of Colorado, and serves the towns of Telluride, Mountain Village, Ophir, Rico, Sawpit, and portions of unincorporated San Miguel County.

The discussion and analysis of the Telluride School District R-1's financial performance provides an overall review of the District's financial activities. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

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

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2025, the District's share of the PERA net pension liability is approximately \$24.5 million and the District's share of the PERA HCTF net OPEB liability is \$436 thousand. Fund level financial statements are not impacted by GASB 68 and GASB 75 reporting for PERA and PERA HCTF liabilities.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$15.3 million.
- The District's total net position of governmental activities increased by \$676 thousand, which is a contrast to its decrease in fund balance on a governmental fund basis of \$6.98 million, primarily due to the expenditure of bond proceeds in the Building Fund for the acquisition of Affordable Housing Units and renovation costs of its school infrastructure. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 8 and 11 of the Financial Statements and a discussion of the differences between the two accounting methodologies is discussed below.

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 Telluride School District R-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 the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Telluride School District R-1, the General Fund is the most significant fund. The remaining 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.

TELLURIDE SCHOOL DISTRICT R-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 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 similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District, and its component units.

The two statements report the District's net position and changes therein. This change is important because it identifies whether the financial condition of the District has improved or diminished for the District as a whole. 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.

The School District's activities as reflected on the Statement of Net Position and the Statement of Activities consist of the following:

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

The District currently has no Business-type activities, which are those provided on a charge for goods or services basis to recover all expenses of the goods and services provided.

TELLURIDE SCHOOL DISTRICT R-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 and nonmajor 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. Fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and (3) 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 to 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 more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the 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 the majority of the District's instruction and support operations.

Debt Service Fund – The Debt Service Fund accounts for property tax collections and transactions related to the District's indebtedness.

Building Fund – The Building Fund accounts for the District's General Obligation Improvement Bonds Series 2024 that have been issued to finance the costs of improving, repairing and making additions to school buildings, equipping or furnishing school buildings, improving school grounds, or acquiring, constructing or improving capital assets including affordable housing units for District purposes.

The District's nonmajor governmental funds are:

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.

Student Activity Fund – The Student Activity Fund is a special revenue fund which accounts for student athletic/nonathletic activities with revenue sources raised specifically from such activities

Transportation Fund – The Transportation Fund is a special revenue fund which accounts for transportation operations funded primarily by property taxes and other State operating grants.

Affordable Housing Fund – The Affordable Housing Fund is a special revenue fund which accounts for housing units the District holds for employee housing needs.

Palm Theatre Fund – The Palm Theatre Fund is a special revenue fund which accounts for contributed revenue to the theatre and certain expenditures for operations of the theatre.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements 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

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.

TELLURIDE SCHOOL DISTRICT R-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 as a whole. Following is a summary of the District's net position for the current compared to the prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Total	
	2025	2024 (1)	2025	2024 (1)
<u>ASSETS:</u>				
Current and Other Assets	\$ 40,526	\$ 47,226	\$40,526	\$ 47,226
Capital Assets, Net	56,436	51,362	56,436	51,362
	96,962	98,588	96,962	98,588
<u>DEFERRED OUTFLOWS:</u>				
Related to Pensions	5,108	7,762	5,108	7,762
Related to OPEBs	122	122	122	122
	5,230	7,884	5,230	7,884
<u>LIABILITIES:</u>				
Current & Other Liabilities	7,619	7,503	7,619	7,503
Long-term Liabilities	52,025	54,496	52,025	54,496
Net Pension Liability	24,546	26,239	24,546	26,239
Net OPEB Liability	436	634	436	634
	84,626	88,872	84,626	88,872
<u>DEFERRED INFLOWS:</u>				
Deferred Gain on Refunding	921	938	921	938
Related to Pensions	1,070	1,788	1,070	1,788
Related to OPEBs	261	235	261	235
	2,252	2,961	2,252	2,961
<u>NET POSITION:</u>				
Invested in Capital Assets,				
Net of Related Debt	22,116	21,261	22,116	21,261
Restricted	5,195	5,321	5,195	5,321
Unrestricted	(11,996)	(11,943)	(11,996)	(11,943)
	\$ 15,315	\$ 14,639	\$15,315	\$ 14,639

(1) Restated for the implementation of Governmental Accounting Standards Board Statement No. 101 Compensated Absences (see note 11 to the Financial Statements).

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 plus amounts set aside to finance future purchases and pay for capital projects as planned by the District. 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 set aside by management to satisfy debt service requirements and fund balance requirements of the individual funds. 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 net position balance merely represents that there are *long-term* obligations, including Pensions and OPEB, in excess of *currently* available resources.

TELLURIDE SCHOOL DISTRICT R-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 the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Total	
	2025	2024 (1)	2025	2024 (1)
<u>REVENUES</u>				
Program Revenues:				
Charges for Services & Sales	\$ 721	\$ 857	\$ 721	\$ 857
Operating Grants & Contributions	2,370	2,281	2,370	2,281
Capital Grants and Contributions	0	764	0	764
Total Program Revenues	3,091	3,902	3,091	3,902
General Revenues:				
Property & Ownership Taxes	17,540	17,255	17,540	17,255
Grants and Entitlements	4,080	3,143	4,080	3,143
Interest & Investment Earnings	1,679	910	1,679	910
Other General Revenues	202	391	202	391
Total General Revenues	23,501	21,699	23,501	21,699
Total Revenues	26,592	25,601	26,592	25,601
<u>PROGRAM EXPENSES:</u>				
Instruction	13,151	12,788	13,151	12,788
Supporting Services	10,927	9,855	10,927	9,855
Food Services	492	458	492	458
Interest and Fiscal Charges	1,346	1,328	1,346	1,328
Total Expenses	25,917	24,429	25,917	24,429
Increase (Decrease) in Net Position	\$ 676	\$ 1,172	\$ 676	\$ 1,172

(1) Restated for the implementation of Governmental Accounting Standards Board Statement No. 101 Compensated Absences (see note 11 to the Financial Statements).

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 increased by approximately \$676 thousand primarily resulting from the District's interest and investment earnings.

TELLURIDE SCHOOL DISTRICT R-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 following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Fiscal Year 2025		Fiscal Year 2024 (1)	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 13,151	\$ 11,702	\$ 12,788	\$ 11,257
Support Services	10,927	9,565	9,855	7,772
Food Services	492	213	492	170
Interest and Fiscal Charges	1,346	1,346	1,328	1,328
Total Expenses	\$ 25,917	\$ 22,826	\$ 24,429	\$ 20,527

(1) Restated for the implementation of Governmental Accounting Standards Board Statement No. 101 Compensated Absences (see note 11 to the Financial Statements).

The dependence on general revenues for governmental activities is apparent, whereas approximately 89% and 88% of instruction activities were supported through taxes and other general revenues in 2025 and 2024, respectively. The community as a whole is the primary support for District 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 –

The *General Fund* had an overall increase in fund balance of \$27,561. The ending fund balance of \$5,762,349 is the amount available for future spending.

The *Debt Service Fund* had an overall decrease in fund balance of \$27,223. The ending fund balance of \$4,705,827 is the amount available for future spending.

The *Building Fund* had an overall decrease in fund balance of \$6,993,816 as the result of the District's use of General Obligation Bonds Series 2024 used for the purchase of affordable housing and the purchase of capital assets and improvements for its school facilities. The ending fund balance of \$24,519,242 is the amount available for future spending.

The *Food Service Fund* had an overall decrease in fund balance of \$24,214. The ending fund balance of \$36,214 is the amount available for future spending.

The *Student Activity Fund* had an overall decrease in fund balance of \$1,717. The ending fund balance of \$1,701 is the amount available for future spending.

The *Transportation Fund* had an overall increase in fund balance of \$34,546. The ending fund balance of \$57,838 is the amount available for future spending.

The *Affordable Housing Fund* had an overall increase in fund balance of \$10,179. The ending fund balance of \$26,039 is the amount available for future spending.

The *Palm Theatre Fund* had an overall change in fund balance of \$0. The ending fund balance of \$25,076 is the amount available for future spending.

TELLURIDE SCHOOL DISTRICT R-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 is summarized in *Note 1* of the notes to the required supplementary information. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). 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 budget as needed.

For the General Fund, actual revenues and other financing sources in the amount of \$20,250,795 exceeded budgetary expectations of \$20,045,532 by \$205,263 primarily due to additional local funding sources including interest income and investment earnings.

The District's General Fund actual expenditures and other financing uses of \$19,268,234 were \$246,476 less than budgeted expenditures and other financing uses of \$19,514,710. The major differences between the District's budgeted amounts and actual expenditures were primarily in salaries, benefits (including PERA-on-behalf state expenditures) and purchased services which fluctuate based on available federal and state grant funding and the District's ability to fill open positions.

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

CAPITAL ASSETS

At the end of fiscal year 2025, the District had a total of \$56.4 million invested in capital assets for *governmental activities*. Additional information on the District's capital assets can be found in *Note 3* of the financial statements.

The following reflects the balances of fiscal year 2025 compared to fiscal year 2024:

<i>(In Thousands)</i>	Governmental Activities	
	2025	2024
<i>Net of Depreciation:</i>		
Land	\$1,277	\$ 1,277
Construction in Progress	3,674	1,016
Buildings & Improvements	46,052	43,404
Solar Array	4,043	4,229
Transportation, Other Equipment, and RTU Assets	1,390	1,464
	\$ 56,436	\$ 51,390

DEBT ADMINISTRATION

At June 30, 2025 the School District's governmental activities had: 1) outstanding certificates of participation of \$1.9 million; 2) outstanding general obligation bonds of \$14.6 million; 3) outstanding general obligation improvement bonds of \$1.3 million; 4) general obligation bonds of \$31.1 million; 5) related deferred premiums of \$4.5 million; and 6) accrued compensated absences of \$725 thousand. Other long-term obligations consist of the District's proportionate share of the aforementioned PERA Net Pension Liability (see Notes 1 & 7) in the amount of 24.5 million and PERA HCTF Net OPEB Liability (see Notes 1 & 8) in the amount of \$436 thousand.

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

TELLURIDE SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2025

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 a number of 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.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$17.3 billion, a decrease of approximately \$400 million from the prior year. This and the effect of other actuarial changes (primarily the net difference between actual and projected pension investment earnings), have increased the District's proportionate share of the collective net pension liability. In addition, the overall statewide collective PERA Health Care Trust Fund Net OPEB liability decreased from \$714 million to \$478 million, with a corresponding decrease in the District's proportionate share thereof. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform with the goal of eliminating the unfunded actuarial accrued liability and reaching a 100 percent funded ratio within the next 30 years.

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 effects the District's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements.

See the accompanying financial statement notes for the full disclosures related to PERA and OPEB.

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:

Telluride School District R-1
Attn: Finance Director
725 West Colorado Avenue
Telluride, CO 81435

BASIC FINANCIAL STATEMENTS

TELLURIDE SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 38,151,421
Accounts Receivable	72,467
Grants Receivable	259,170
Taxes Receivable	949,698
Tax Credits Receivable	745,989
Inventory	11,382
Prepaid Expenses	336,081
Capital Assets, <i>Not Being Depreciated</i>	4,950,686
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>51,485,136</u>
TOTAL ASSETS	<u>96,962,030</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	5,108,149
OPEB, <i>Net of Accumulated Amortization</i>	<u>122,303</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,230,452</u>
LIABILITIES	
Accounts Payable	2,197,496
Retainage Payable	117,993
Arbitrage Rebate Tax Payable	574,855
Accrued Salaries and Benefits	1,991,033
Unearned Revenue	368,464
Accrued Interest Payable	162,235
Noncurrent Liabilities	
Due Within One Year	2,207,422
Due in More Than One Year	52,025,079
Net Pension Liability	24,545,671
Net OPEB Liability	<u>435,509</u>
TOTAL LIABILITIES	<u>84,625,757</u>
DEFERRED INFLOWS OF RESOURCES	
Gain on Bond Refunding, <i>Net of Accumulated Amortization</i>	921,197
Pensions, <i>Net of Accumulated Amortization</i>	1,070,039
OPEB, <i>Net of Accumulated Amortization</i>	<u>260,630</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,251,866</u>
NET POSITION	
Net Investment in Capital Assets	22,116,388
Restricted for:	
Debt Service	4,543,592
Transportation	57,838
Food Service	24,832
Emergencies	569,100
Unrestricted	<u>(11,996,891)</u>
TOTAL NET POSITION	<u>\$ 15,314,859</u>

See Notes to the Financial Statements.

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction	\$ 13,151,383	\$ 227,420	\$ 1,222,155	\$ (11,701,808)
Supporting Services	10,927,047	478,509	883,973	(9,564,565)
Food Services	492,059	15,124	263,984	(212,951)
Interest on Long-Term Debt	1,346,211	-	-	(1,346,211)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 25,916,700	\$ 721,053	\$ 2,370,112	(22,825,535)
GENERAL REVENUES				
				16,973,580
				566,064
				4,078,513
				1,637
				1,678,697
				202,554
				23,501,045
				675,510
				14,909,938
				(270,589)
				14,639,349
				\$ 15,314,859

See Notes to the Financial Statements.

TELLURIDE SCHOOL DISTRICT R-1
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>BUILDING</u>	<u>RECLASSIFIED TO NONMAJOR FOOD SERVICE</u>
ASSETS				
Cash and Investments	\$ 7,328,235	\$ 4,525,619	\$ 25,961,963	\$ -
Accounts Receivable	43,430	-	128	-
Taxes Receivable	713,952	211,979	-	-
Grants Receivable	232,999	-	-	-
Tax Credits Receivable	-	-	745,989	-
Prepaid Expenditures	90,546	-	245,535	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 8,409,162</u>	<u>\$ 4,737,598</u>	<u>\$ 26,953,615</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 424,225	\$ -	\$ 1,740,524	\$ -
Retainage Payable	-	-	117,993	-
Arbitrage Rebate Tax Payable	-	-	574,855	-
Accrued Salaries and Benefits	1,929,261	-	1,001	-
Deposits	10,000	-	-	-
Unearned Revenue - Other	36,341	-	-	-
Unearned Revenue - Grants	140,169	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>2,539,996</u>	<u>-</u>	<u>2,434,373</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>106,817</u>	<u>31,771</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable				
Prepaid Expenditures	90,546	-	245,535	-
Inventory	-	-	-	-
Restricted for:				
Debt Service	-	4,705,827	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Capital Projects	-	-	19,863,362	-
Emergencies	569,100	-	-	-
Committed to:				
Student Activities	-	-	-	-
Affordable Housing	-	-	-	-
Theatre	-	-	-	-
School Finance Funding Reserves	1,148,931	-	-	-
Assigned to:				
Cash Flow Reserves	3,320,165	-	-	-
Capital Projects	-	-	4,410,345	-
Unassigned	633,607	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>5,762,349</u>	<u>4,705,827</u>	<u>24,519,242</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 8,409,162</u>	<u>\$ 4,737,598</u>	<u>\$ 26,953,615</u>	<u>\$ -</u>

RECLASSIFIED FROM MAJOR TO NONMAJOR FUNDS (NOTE 12)				NONMAJOR	
STUDENT	TRANSPORTATION	AFFORDABLE	PALM	GOVERNMENTAL	TOTAL
ACTIVITY		HOUSING	THEATRE	FUNDS	
\$ -	\$ -	\$ -	\$ -	\$ 335,604	\$ 38,151,421
-	-	-	-	28,909	72,467
-	-	-	-	23,767	949,698
-	-	-	-	26,171	259,170
-	-	-	-	-	745,989
-	-	-	-	-	336,081
-	-	-	-	11,382	11,382
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,833</u>	<u>40,526,208</u>
\$ -	\$ -	\$ -	\$ -	\$ 32,747	\$ 2,197,496
-	-	-	-	-	117,993
-	-	-	-	-	574,855
-	-	-	-	60,771	1,991,033
-	-	-	-	-	10,000
-	-	-	-	-	36,341
-	-	-	-	181,954	322,123
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,472</u>	<u>5,249,841</u>
-	-	-	-	3,493	142,081
-	-	-	-	-	336,081
-	-	-	-	11,382	11,382
-	-	-	-	-	4,705,827
-	-	-	-	57,838	57,838
-	-	-	-	24,832	24,832
-	-	-	-	-	19,863,362
-	-	-	-	-	569,100
-	-	-	-	1,701	1,701
-	-	-	-	26,039	26,039
-	-	-	-	25,076	25,076
-	-	-	-	-	1,148,931
-	-	-	-	-	-
-	-	-	-	-	3,320,165
-	-	-	-	-	4,410,345
-	-	-	-	-	633,607
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,868</u>	<u>35,134,286</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,833</u>	<u>\$ 40,526,208</u>

TELLURIDE SCHOOL DISTRICT R-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	\$	35,134,286
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		56,435,822
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.		142,081
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Gain on Debt refunding		(921,197)
Debt Premiums		(4,562,134)
Accrued Interest Payable		(162,235)
Bonds Payable		(48,945,000)
Accrued Compensated Absences		(725,367)
Net Pension Liability		(24,545,671)
Pension-Related Deferred Outflows of Resources		5,108,149
Pension-Related Deferred Inflows of Resources		(1,070,039)
Net OPEB Liability		(435,509)
OPEB-Related Deferred Outflows of Resources		122,303
OPEB-Related Deferred Inflows of Resources		(260,630)
		(92,632,023)
Total Net Position of Governmental Activities	\$	15,314,859

TELLURIDE SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>BUILDING</u>	<u>RECLASSIFIED TO NONMAJOR FOOD SERVICE</u>
REVENUES				
Local Sources	\$ 14,650,214	\$ 4,032,717	\$ 1,277,705	\$ -
County Sources	1,637	-	-	-
State Sources	4,997,199	-	1,587	-
Federal Sources	<u>601,745</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL REVENUES	 <u>20,250,795</u>	 <u>4,032,717</u>	 <u>1,279,292</u>	 <u>-</u>
EXPENDITURES				
Current				
Instruction	10,429,158	-	-	-
Supporting Services	8,454,976	-	777,564	-
Food Services	-	-	-	-
Capital Outlay	384,100	-	7,495,544	-
Debt Service				
Principal	-	2,140,000	-	-
Interest and Fiscal Charges	<u>-</u>	<u>1,919,940</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>19,268,234</u>	 <u>4,059,940</u>	 <u>8,273,108</u>	 <u>-</u>
 EXCESS REVENUES OVER (UNDER) EXPENDITURES	 <u>982,561</u>	 <u>(27,223)</u>	 <u>(6,993,816)</u>	 <u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>(955,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(955,000)</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 CHANGES IN FUND BALANCES	 27,561	 (27,223)	 (6,993,816)	 -
FUND BALANCES, Beginning, as Originally Stated	5,734,788	4,733,050	31,513,058	60,428
Reclassified from Major to Nonmajor (GASB 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,428)</u>
FUND BALANCES, Beginning, as Restated	<u>5,734,788</u>	<u>4,733,050</u>	<u>31,513,058</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 5,762,349</u>	<u>\$ 4,705,827</u>	<u>\$ 24,519,242</u>	<u>\$ -</u>

RECLASSIFIED FROM MAJOR TO NONMAJOR FUNDS (NOTE 12)					NONMAJOR	
STUDENT	TRANSPORTATION	AFFORDABLE	PALM	GOVERNMENTAL		TOTAL
ACTIVITY		HOUSING	THEATRE	FUNDS		
\$ -	\$ -	\$ -	\$ -	\$ 1,203,917	\$	21,164,553
-	-	-	-	-		1,637
-	-	-	-	191,256		5,190,042
-	-	-	-	135,277		737,022
-	-	-	-	1,530,450		27,093,254
-	-	-	-	539,739		10,968,897
-	-	-	-	1,156,975		10,389,515
-	-	-	-	490,536		490,536
-	-	-	-	87,431		7,967,075
-	-	-	-	115,000		2,255,000
-	-	-	-	76,975		1,996,915
-	-	-	-	2,466,656		34,067,938
-	-	-	-	(936,206)		(6,974,684)
-	-	-	-	955,000		955,000
-	-	-	-	-		(955,000)
-	-	-	-	955,000		-
-	-	-	-	18,794		(6,974,684)
3,418	23,292	15,860	25,076	-		42,108,970
(3,418)	(23,292)	(15,860)	(25,076)	128,074		-
-	-	-	-	128,074		42,108,970
\$ -	\$ -	\$ -	\$ -	\$ 146,868	\$	\$ 35,134,286

TELLURIDE SCHOOL DISTRICT R-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	\$	(6,974,684)
---	----	-------------

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:

Depreciation Expense		(2,620,355)
Capital Outlay		7,666,368

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 and leases receivable		(501,044)
--	--	-----------

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.		2,255,000
--	--	-----------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items as follows:		
Amortization of Bond Premiums		625,480
Amortization of Deferred Gain on Bond Refunding		17,042
Amortization of Lease Payable		27,626

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:

Retainage Payable / Expense from Prior Year		266,535
Accrued Interest Payable		8,182
Accrued Compensated Absences		(24,863)
Net Pension Liability		1,693,566
Pension-Related Deferred Outflows of Resources		(2,653,745)
Pension-Related Deferred Inflows of Resources		717,644
Net OPEB Liability		198,062
OPEB-Related Deferred Outflows of Resources		78
OPEB-Related Deferred Inflows of Resources		(25,382)

Change in Net Position of Governmental Activities	\$	<u>675,510</u>
---	----	----------------

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Telluride School District R-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 *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 *Building Fund* is used to account for the General Obligation Bonds Series 2024 issued to finance the costs of improving, repairing, and making additions to school buildings, equipping, or furnishing school buildings, improving school grounds, or acquiring, constructing, or improving capital assets for District purposes, including affordable housing for District employees.

TELLURIDE SCHOOL DISTRICT R-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 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 by the County Treasurer. 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 the pooled cash method, in which bank accounts are shared by the funds. 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.

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*.

Inventories – 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.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

TELLURIDE SCHOOL DISTRICT R-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)

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	40 years
Improvements	10 to 15 years
Solar Array	25 years
Vehicles and Equipment	3 to 10 years

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period 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.

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. Any leave over the roll-over amount, which varies upon position classification, is paid out at year end. Upon termination of employment at the District, employees shall be paid for unused sick and personal days up to the maximum annual roll-over amount. Unused vacation days are surrendered six months after the end of the fiscal year.

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

TELLURIDE SCHOOL DISTRICT R-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)

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	\$ 1,013
Deposits	11,099,583
Investments	27,050,825
Total	\$ 38,151,421

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 bank deposits of \$5,484,686 collateralized with securities held by the financial institution’s agent but not in the District’s name.

At June 30, 2025, the District held deposits of \$5,288,265 in a money market account with Alpine Bank. These deposits are FDIC insured and collateralized under PDPA.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

At June 30, 2025, the District held deposits in a Certificate of Deposit Account Registry Service (CDARS) and Insured Cash Sweep Accounts (ICS) account in the amount of \$5,261,398. CDARS and ICS are considered a deposit placement services managed by a broker and deposited to various demand deposit accounts held at various banking and financial institutions at fair value. These accounts are insured under FDIC and not collateralized, but each banking institution holds less than or equal to the \$250,000 FDIC insurance limit.

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

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

Investment Type	NSRO Rating	Fair Value	Maturity		Levels
			Less Than One Year	Concentration	
Local Government Pools	AAAm	15,357,375	15,357,375	57%	NAV
Money Market Fund	Aaa-mf	4,525,618	4,525,618	17%	2
U.S. Treasury Notes	Aaa	7,167,832	7,167,832	26%	1
Total Investments		<u>\$ 27,050,825</u>	<u>\$ 27,050,825</u>	<u>100%</u>	

Fair Value Measurements – At June 30, 2025, the District's investments in the local government investment pools were reported at the net asset value per share, money market funds and U.S. Treasury Notes received fair value measurement categories of Level 2 and Level 1, respectively.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

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.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

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.

Local Government Investment Pools – At June 30, 2025, the District had \$15,347,375 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) and \$10,002 invested in the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles 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 Pools. The Pools operate in conformity with the Securities and Exchange Commission’s Rule 2a-7. The Pools are reported at the net asset value per share, with each share valued at \$1. The Pools are rated AAAM by Standard and Poor’s. Investments of the Pools 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.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 1,276,648	\$ -	\$ -	\$ 1,276,648
Construction in Progress	1,015,756	3,583,271	924,989	3,674,038
Total Capital Assets, Not Being Depreciated	<u>2,292,404</u>	<u>3,583,271</u>	<u>924,989</u>	<u>4,950,686</u>
Capital Assets, Being Depreciated/Amortized				
Buildings and Improvements	66,809,035	4,781,211	-	71,590,246
Solar Array	4,876,242	8,817	-	4,885,059
Transportation Equipment	1,167,951	33,692	-	1,201,643
Other Equipment	2,440,492	184,366	-	2,624,858
Right-to-Use Asset	46,358	-	46,358	-
Total Capital Assets, Being Depreciated/Amortized	<u>75,340,078</u>	<u>5,008,086</u>	<u>46,358</u>	<u>80,301,806</u>
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(23,404,868)	(2,133,569)	-	(25,538,437)
Solar Array	(646,931)	(195,402)	-	(842,333)
Transportation Equipment	(739,012)	(74,466)	-	(813,478)
Other Equipment	(1,433,612)	(188,810)	-	(1,622,422)
Right-to-Use Asset	(18,250)	(28,108)	(46,358)	-
Total Accumulated Depreciation/Amortization	<u>(26,242,673)</u>	<u>(2,620,355)</u>	<u>(46,358)</u>	<u>(28,816,670)</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>49,097,405</u>	<u>2,387,731</u>	<u>-</u>	<u>51,485,136</u>
Total Capital Assets, Governmental Activities, Net	<u>\$ 51,389,809</u>	<u>\$ 5,971,002</u>	<u>\$ 924,989</u>	<u>\$ 56,435,822</u>

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: Capital Assets (Continued)

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

Instruction	\$ 2,123,780
Supporting Services	496,575
Total	\$ 2,620,355

NOTE 4: Interfund Balances and Transfers

During the fiscal year ended June 30, 2025, the General Fund transferred \$190,000 to the Food Service Fund, \$530,000 to the Student Activity Fund, \$145,000 to the Transportation Fund and \$90,000 to the Affordable Housing Fund to subsidize the main services of those funds.

NOTE 5: Long-Term Debt

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

	Restated Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental Activities					
COPs, Series 2017	\$ 2,025,000	\$ -	\$ 115,000	\$ 1,910,000	\$ 115,000
G.O. Bonds, Series 2015	1,025,000	-	1,025,000	-	-
G.O. Bonds, Series 2021A	14,865,000	-	270,000	14,595,000	1,355,000
G.O. Bonds, Series 2021B	1,485,000	-	145,000	1,340,000	145,000
G.O. Bonds, Series 2024	31,800,000	-	700,000	31,100,000	340,000
Bond Premiums	5,187,614	-	625,480	4,562,134	-
Lease Payable	27,626	-	27,626	-	-
Compensated Absences	700,504	24,863	-	725,367	252,422
Total Long-Term Debt	\$ 57,115,744	\$ 24,863	\$ 2,908,106	\$ 54,232,501	\$ 2,207,422

Certificates of Participation – Series 2017

On August 1, 2017, the District issued \$2,540,000 of Certificates of Participation (COPs). The COPs were issued for the purpose of financing the construction of affordable housing units for the District. Interest rates range from 3% to 4%, payable semi-annually on June 1 and December 1, with principal due and payable on December 1, through 2037. The COPs are paid from the Affordable Housing Fund. The premium on the COPs is being amortized over the term of the debt using the principal-based method. Certificate of Participation payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 115,000	\$ 73,525	\$ 188,525
2027	120,000	69,400	189,400
2028	125,000	64,500	189,500
2029	130,000	59,400	189,400
2030	135,000	54,100	189,100
2031-2035	755,000	183,900	938,900
2036-2038	530,000	32,400	562,400
Total	\$ 1,910,000	\$ 537,225	\$ 2,447,225

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt (Continued)

General Obligation Bonds, Series 2015

On January 15, 2015, the District issued \$22,260,000 of General Obligation Bonds, Series 2015, for the purpose of financing construction, renovation and other capital improvements approved by the District voters. Interest rates ranged from 2% to 5%, payable semi-annually on June 1 and December 1, with principal due and payable on December 1. A portion of these bonds in the amount of \$13,565,000 was advance refunded with the issuance of the District's General Obligation Refunding Bonds, Series 2021A. The District used the net proceeds to purchase U.S. government securities deposited in an irrevocable trust with U.S. Bank to defease the refunded portion of the General Obligation Bonds, Series 2015. The refunding resulted in a deferred gain which was amortized over the remaining term of the refunded debt. The premium on the Series 2015 Bonds was amortized over the term of the debt using the principal-based method. These bonds were paid from the Debt Service Fund. At June 30, 2025, these bonds were paid in full.

General Obligation Bonds, Series 2021A

On December 2, 2021, the District issued \$15,405,000 of General Obligation Refunding Bonds, Series 2021A, to advance refund a portion of the General Obligation Bond, Series 2015. Interest rates range from 0.504% to 2.404%, payable semi-annually on June 1 and December 1, with principal due and payable on December 1, through 2034.

General Obligation Bonds, Series 2021B

On December 2, 2021, the District issued \$1,740,000 of General Obligation Improvement Bonds, Series 2021B, from authorized debt remaining from the November 4, 2014, election, for the purpose of financing the costs of improving, repairing, and making additions to school buildings, equipping or furnishing school buildings, improving school grounds, acquiring, or constructing or improving any capital asset for District purposes. Interest rates range from 4% to 5%, payable semi-annually on June 1 and December 1, with principal due and payable on December 1, through 2032. Premium on the Series 2021B Bonds is being amortized over the term of the debt using the principal-based method.

General Obligation Bonds, Series 2024

On March 1, 2024, the District issued \$31,800,000 of General Obligation Bonds, Series 2024, for the purpose of financing the costs of acquiring, constructing, repairing, equipping, and improving capital assets. Interest rates range from 3% to 5%, payable semi-annually on June 1 and December 1, with principal due and payable on December 1, through 2043. Premium on the Series 2021B Bonds is being amortized over the term of the debt using the effective interest method. Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,840,000	\$ 1,851,049	\$ 3,691,049
2027	1,880,000	1,808,950	3,688,950
2028	1,925,000	1,763,392	3,688,392
2029	1,975,000	1,713,572	3,688,572
2030	2,025,000	1,660,552	3,685,552
2031-2035	10,995,000	7,412,001	18,407,001
2036-2040	13,230,000	5,009,250	18,239,250
2041-2045	13,165,000	1,356,625	14,521,625
Total	<u>\$ 47,035,000</u>	<u>\$ 22,575,391</u>	<u>\$ 69,610,391</u>

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt (Continued)

Lease Payable – Office Equipment

The District has entered into several lease agreements for the use of office equipment. These leases payable are insignificant to the government-wide financial statements. At June 30, 2025, the liability and related right-to-use assets have been removed from the financial statements.

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 pays an annual premium for its commercial, property, casualty, and liability insurance coverage, including property, automobile and general liability policies, errors and omissions and employment practices liability policies, referred to as school entity liability. The District carries commercial insurance for other risks of loss, including workers' compensation and employee health insurance.

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 cases, the benefit amount may not 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.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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 \$2,316,032 equal to the required contributions at a contribution rate of 20.38%.

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 0.1422533461%, which was a decrease of 0.0061299071% from its proportion measured at December 31, 2023.

TELLURIDE SCHOOL DISTRICT R-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)

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	\$ 24,545,671
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>2,204,591</u>
Total	<u>\$ 26,750,262</u>

For the year ended June 30, 2025, the District recognized pension expense of \$2,559,093 and a revenue of (\$232,492) 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	\$ 1,389,986	\$ -
Changes of assumptions and other inputs	184,022	-
Net difference between projected and actual earnings on plan investments	463,110	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,899,646	1,070,039
Contributions subsequent to the measurement date	<u>1,171,385</u>	<u>-</u>
Total	<u>\$ 5,108,149</u>	<u>\$ 1,070,039</u>

District contributions subsequent to the measurement date of \$1,171,385 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:

Year Ended June 30,	
2026	\$ 2,067,447
2027	1,920,006
2028	(790,443)
2029	<u>(330,285)</u>
Total	<u>\$ 2,866,725</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

TELLURIDE SCHOOL DISTRICT R-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)

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 in 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.

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.

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.

TELLURIDE SCHOOL DISTRICT R-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)

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 projection 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.

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, and again at the Board's September 22, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

TELLURIDE SCHOOL DISTRICT R-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)

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.
- 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.

TELLURIDE SCHOOL DISTRICT R-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 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	\$ 33,278,241	\$ 24,545,671	\$ 17,230,923

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>.

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, 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>.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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 § 24-51-1206(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.

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 \$115,915, equal to the required amount.

TELLURIDE SCHOOL DISTRICT R-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

At June 30, 2025, the District reported a net OPEB liability of \$435,509, 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 0.0910788052%, which was an increase of 0.0023092383% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$56,360). 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
Differences between expected and actual experience	\$ -	\$ 96,068
Changes of assumptions and other inputs	4,993	139,210
Net difference between projected and actual earnings on plan investments	1,478	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	57,205	25,352
Contributions subsequent to the measurement date	58,627	-
Total	\$ 122,303	\$ 260,630

District contributions subsequent to the measurement date of \$58,627 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:

<u>Year Ended June 30,</u>			
2026		\$	(50,511)
2027			(35,638)
2028			(55,958)
2029			(26,391)
2030			(17,923)
2031			(10,533)
Total		\$	(196,954)

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

TELLURIDE SCHOOL DISTRICT R-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)

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.

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%

TELLURIDE SCHOOL DISTRICT R-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)

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

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

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

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.

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

TELLURIDE SCHOOL DISTRICT R-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)

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

*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.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree table using 99% of the rates for all ages.

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.

TELLURIDE SCHOOL DISTRICT R-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 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.

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. 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 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: 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.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

TELLURIDE SCHOOL DISTRICT R-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 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.

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%.

TELLURIDE SCHOOL DISTRICT R-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)

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

Based on the above assumptions and methods, the HCTF’s 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:

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
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	\$ 423,775	\$ 435,509	\$ 448,788

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

TELLURIDE SCHOOL DISTRICT R-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)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 533,723	\$ 435,509	\$ 350,836

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 1996, 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.

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 \$569,100.

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.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the Uncompahgre Valley Board of Cooperative Educational Services (UnBOCES). The UnBOCES is an organization that provides member districts educational services at a shared lower cost per district. The UnBOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$112,814 to the UnBOCES. Separate financial statements for the UnBOCES are available at P.O. Box 728, 1115 W. Clinton, Ridgway, CO 81432 or online at <https://www.unboces.org/>.

NOTE 11: Change in Accounting Principle

At June 30, 2025, the District applied a change in accounting principle as a result of the required implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101, *Compensated Absences*, required a retroactive application that involved a restatement to the beginning net position for a single period for the fiscal year ended June 30, 2024. The District allows for sick leave to accumulate for full-time and part-time employees, which required a calculation of the liability and impact to the beginning net position for the financial statements as follows.

	Governmental Activities
Net Position, Beginning, as Originally Stated	\$ 14,909,938
Compensated Absences	(270,589)
Net Position/Fund Balance, Beginning, as Restated	\$ 14,639,349

NOTE 12: Reclassified Major Funds to Nonmajor Funds

At June 30, 2025, the District reclassified the Food Service Fund, Student Activity Fund, Transportation Fund, Affordable Housing Fund, and Palm Theatre Fund based on the major funds calculation, as required by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In addition, the reporting of the reclassification from major funds to nonmajor funds complied with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

REQUIRED SUPPLEMENTARY INFORMATION

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 14,808,523	\$ 14,429,889	\$ 14,650,214	\$ 220,325
County Sources	4,500	4,500	1,637	(2,863)
State Grants	4,368,242	4,971,699	4,997,199	25,500
Federal Grants	1,011,840	639,444	601,745	(37,699)
TOTAL REVENUES	20,193,105	20,045,532	20,250,795	205,263
EXPENDITURES				
Current				
Instruction	10,990,872	10,657,319	10,429,158	228,161
Supporting Services				
Students	1,761,311	1,710,620	1,667,244	43,376
Instructional Staff	2,191,275	2,162,609	2,139,088	23,521
General Administration	629,554	572,817	550,884	21,933
School Administration	1,026,152	1,005,294	1,005,811	(517)
Business Services	429,907	420,836	416,111	4,725
Operations and Maintenance	2,110,053	2,097,836	2,100,066	(2,230)
Central Support	518,799	519,689	575,772	(56,083)
Total Supporting Services	8,667,051	8,489,701	8,454,976	34,725
Capital Outlay	364,000	367,690	384,100	(16,410)
TOTAL EXPENDITURES	20,021,923	19,514,710	19,268,234	246,476
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	171,182	530,822	982,561	451,739
OTHER FINANCING SOURCES (USES)				
Transfers Out	(700,000)	(920,000)	(955,000)	(35,000)
CHANGE IN FUND BALANCE	(528,818)	(389,178)	27,561	416,739
FUND BALANCE, Beginning	5,454,064	5,734,787	5,734,788	1
FUND BALANCE, Ending	<u>\$ 4,925,246</u>	<u>\$ 5,345,609</u>	<u>\$ 5,762,349</u>	<u>\$ 416,740</u>

TELLURIDE SCHOOL DISTRICT R-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	0.1422533461%	0.1483832532%	0.1172322237%	0.1427891011%
District's Proportionate Share of the Net Pension Liability	\$ 24,545,671	\$ 26,239,237	\$ 21,347,261	\$ 16,616,890
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>2,204,591</u>	<u>43,836</u>	<u>530,477</u>	<u>203,374</u>
Total Proportionate Share of the Net Pension Liability	<u><u>26,750,262</u></u>	<u><u>26,283,073</u></u>	<u><u>21,877,738</u></u>	<u><u>16,820,264</u></u>
District's Covered Payroll	\$ 10,992,550	\$ 9,809,460	\$ 9,031,447	\$ 8,923,856
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	236%	186%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	62%	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	\$ 2,316,032	\$ 2,114,162	\$ 1,920,388	\$ 1,789,599
Contributions in Relation to the Statutorily Required Contribution	<u>(2,316,032)</u>	<u>(2,114,162)</u>	<u>(1,920,388)</u>	<u>(1,789,599)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's Covered Payroll	\$ 11,364,216	\$ 10,373,687	\$ 9,422,897	\$ 9,001,993
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>
0.1580956605%	0.1304506671%	0.1325461898%	0.1486332493%	0.1511087484%	0.1465957072%
\$ 23,900,875	\$ 19,489,047	\$ 23,470,025	\$ 48,062,710	\$ 44,990,918	\$ 22,420,778
<u>-</u>	<u>187,226</u>	<u>190,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,900,875</u>	<u>19,676,273</u>	<u>23,660,630</u>	<u>48,062,710</u>	<u>44,990,918</u>	<u>22,420,778</u>
\$ 8,449,550	\$ 7,648,761	\$ 7,285,862	\$ 6,856,108	\$ 6,781,768	\$ 6,383,408
283%	255%	322%	701%	663%	351%
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>
\$ 1,759,003	\$ 1,543,334	\$ 1,431,417	\$ 1,308,709	\$ 1,256,693	\$ 1,196,503
<u>(1,759,003)</u>	<u>(1,543,334)</u>	<u>(1,431,417)</u>	<u>(1,308,709)</u>	<u>(1,256,693)</u>	<u>(1,196,503)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,848,090	\$ 7,963,515	\$ 7,482,560	\$ 6,929,693	\$ 6,835,748	\$ 6,746,394
19.88%	19.38%	19.13%	18.89%	18.38%	17.74%

TELLURIDE SCHOOL DISTRICT R-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	0.0910788052%	0.0887695669%	0.0890003751%	0.0932303364%
District's Proportionate Share of the Net OPEB Liability	\$ 435,509	\$ 633,571	\$ 726,669	\$ 803,930
District's Covered Payroll	\$ 10,992,550	\$ 9,809,460	\$ 9,031,447	\$ 8,923,856
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	\$ 115,915	\$ 105,812	\$ 96,114	\$ 91,820
Contributions in Relation to the Statutorily Required Contribution	<u>(115,915)</u>	<u>(105,812)</u>	<u>(96,114)</u>	<u>(91,820)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,364,216	\$ 10,373,687	\$ 9,422,897	\$ 9,001,993
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 and presented for the years 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>
0.0913715708%	0.0850657910%	0.0861449385%	0.0844507728%	0.0858868310%
\$ 868,236	\$ 956,138	\$ 1,172,038	\$ 1,097,522	\$ 1,113,576
\$ 8,449,550	\$ 7,648,761	\$ 7,285,862	\$ 6,856,108	\$ 6,781,768
10%	13%	16%	16%	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>
\$ 90,251	\$ 81,228	\$ 76,322	\$ 70,683	\$ 69,725
<u>(90,251)</u>	<u>(81,228)</u>	<u>(76,322)</u>	<u>(70,683)</u>	<u>(69,725)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 8,848,090	\$ 7,963,515	\$ 7,482,560	\$ 6,929,693	\$ 6,835,748
1.02%	1.02%	1.02%	1.02%	1.02%

TELLURIDE SCHOOL DISTRICT R-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.

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.

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>.

TELLURIDE SCHOOL DISTRICT R-1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

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

TELLURIDE SCHOOL DISTRICT R-1
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	TRANSPORTATION
ASSETS			
Cash and Investments	\$ 28,107	\$ 168,216	\$ 51,172
Accounts Receivable	83	-	-
Grants Receivable	26,171	-	-
Taxes Receivable	-	-	23,767
Inventory	11,382	-	-
	-	-	-
TOTAL ASSETS	\$ 65,743	\$ 168,216	\$ 74,939
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,918	\$ 1,597	\$ 11,684
Accrued Salaries and Benefits	23,640	29,534	1,924
Interfund Payable	-	-	-
Unearned Revenues	2,971	135,384	-
	-	-	-
TOTAL LIABILITIES	29,529	166,515	13,608
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes	-	-	3,493
 FUND BALANCES			
Nonspendable Inventory	11,382	-	-
Restricted for:			
Transportation	-	-	57,838
Food Service	24,832	-	-
Committed to:			
Student Activities	-	1,701	-
Affordable Housing	-	-	-
Theatre	-	-	-
	-	-	-
TOTAL FUND BALANCES	36,214	1,701	57,838
	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 65,743	\$ 168,216	\$ 74,939

	AFFORDABLE HOUSING	PALM THEATRE	TOTAL
\$	78,925	\$ 9,184	\$ 335,604
	7,261	21,565	28,909
	-	-	26,171
	-	-	23,767
	-	-	11,382
	<u>86,186</u>	<u>30,749</u>	<u>425,833</u>

\$	16,548	\$ -	\$ 32,747
	-	5,673	60,771
	-	-	-
	<u>43,599</u>	<u>-</u>	<u>181,954</u>
	<u>60,147</u>	<u>5,673</u>	<u>275,472</u>
	-	-	3,493
	-	-	11,382
	-	-	57,838
	-	-	24,832
	-	-	1,701
	26,039	-	26,039
	-	25,076	25,076
	<u>26,039</u>	<u>25,076</u>	<u>146,868</u>
\$	<u>86,186</u>	<u>30,749</u>	<u>425,833</u>

TELLURIDE SCHOOL DISTRICT R-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	TRANSPORTATION
REVENUES			
Local Sources	\$ 15,124	\$ 222,003	\$ 435,390
State Sources	128,707	5,724	54,381
Federal Sources	135,277	-	-
TOTAL REVENUES	279,108	227,727	489,771
EXPENDITURES			
Current			
Instruction	-	539,739	-
Supporting Services	-	201,660	552,436
Food Services	490,536	-	-
Capital Outlay	2,786	18,045	47,789
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	493,322	759,444	600,225
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(214,214)	(531,717)	(110,454)
OTHER FINANCING SOURCES (USES)			
Transfers In	190,000	530,000	145,000
CHANGES IN FUND BALANCES	(24,214)	(1,717)	34,546
FUND BALANCES, Beginning, as Originally Classified	-	-	-
Reclassified from Major to Nonmajor (NOTE 12)	60,428	3,418	23,292
FUND BALANCES, Beginning, as Reclassified	60,428	3,418	23,292
FUND BALANCES, Ending	\$ 36,214	\$ 1,701	\$ 57,838

	AFFORDABLE HOUSING	PALM THEATRE	TOTAL
\$	346,099	\$ 185,301	\$ 1,203,917
	-	2,444	191,256
	-	-	135,277
	<u>346,099</u>	<u>187,745</u>	<u>1,530,450</u>
	-	-	539,739
	215,134	187,745	1,156,975
	-	-	490,536
	18,811	-	87,431
	115,000	-	115,000
	<u>76,975</u>	<u>-</u>	<u>76,975</u>
	<u>425,920</u>	<u>187,745</u>	<u>2,466,656</u>
	(79,821)	-	(936,206)
	<u>90,000</u>	<u>-</u>	<u>955,000</u>
	10,179	-	18,794
	-	-	-
	<u>15,860</u>	<u>25,076</u>	<u>128,074</u>
	<u>15,860</u>	<u>25,076</u>	<u>128,074</u>
\$	<u><u>26,039</u></u>	\$ <u><u>25,076</u></u>	\$ <u><u>146,868</u></u>

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Fees	\$ 13,000	\$ 13,000	\$ 15,124	\$ 2,124
State Grants	166,500	141,573	128,707	(12,866)
Federal Grants	155,000	155,000	135,277	(19,723)
TOTAL REVENUES	334,500	309,573	279,108	(30,465)
EXPENDITURES				
Current				
Food Service				
Salaries	208,217	208,217	193,942	14,275
Benefits	70,784	70,784	56,712	14,072
Purchased Services	25,367	30,367	80,840	(50,473)
Supplies and Materials	186,000	186,000	159,042	26,958
Total Food Service	490,368	495,368	490,536	4,832
Capital Outlay	-	-	2,786	(2,786)
TOTAL EXPENDITURES	490,368	495,368	493,322	2,046
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(155,868)	(185,795)	(214,214)	(28,419)
OTHER FINANCING SOURCES (USES)				
Transfers In	110,000	160,000	190,000	30,000
CHANGE IN FUND BALANCE	(45,868)	(25,795)	(24,214)	1,581
FUND BALANCE, Beginning	54,069	60,427	60,428	1
FUND BALANCE, Ending	<u>\$ 8,201</u>	<u>\$ 34,632</u>	<u>\$ 36,214</u>	<u>\$ 1,582</u>

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 211,800	\$ 269,536	\$ 222,003	\$ (47,533)
State Sources	15,000	15,000	5,724	(9,276)
TOTAL REVENUES	<u>226,800</u>	<u>284,536</u>	<u>227,727</u>	<u>(56,809)</u>
EXPENDITURES				
Current				
Instruction				
Salaries	181,738	181,738	176,169	5,569
Benefits	57,400	52,400	44,254	8,146
Purchased Services	181,600	183,100	165,922	17,178
Supplies and Materials	169,283	169,283	150,935	18,348
Other	-	-	2,459	(2,459)
Total Instruction	<u>590,021</u>	<u>586,521</u>	<u>539,739</u>	<u>46,782</u>
Supporting Services				
Salaries	140,928	152,928	149,465	3,463
Benefits	47,286	50,286	51,289	(1,003)
Purchased Services	650	650	906	(256)
Total Supporting Services	<u>188,864</u>	<u>203,864</u>	<u>201,660</u>	<u>2,204</u>
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>18,045</u>	<u>(8,045)</u>
TOTAL EXPENDITURES	<u>788,885</u>	<u>800,385</u>	<u>759,444</u>	<u>40,941</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(562,085)</u>	<u>(515,849)</u>	<u>(531,717)</u>	<u>(15,868)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>525,000</u>	<u>525,000</u>	<u>530,000</u>	<u>5,000</u>
CHANGE IN FUND BALANCE	(37,085)	9,151	(1,717)	(10,868)
FUND BALANCE, Beginning	<u>52,670</u>	<u>3,418</u>	<u>3,418</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 15,585</u>	<u>\$ 12,569</u>	<u>\$ 1,701</u>	<u>\$ (10,868)</u>

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 400,000	\$ 412,000	\$ 423,389	\$ 11,389
Specific Ownership Taxes	12,000	12,000	12,001	1
State Sources	37,000	55,796	54,381	(1,415)
TOTAL REVENUES	449,000	479,796	489,771	9,975
EXPENDITURES				
Current				
Supporting Services				
Salaries	135,447	120,000	114,169	5,831
Benefits	51,617	50,000	42,432	7,568
Purchased Services	262,200	347,500	336,435	11,065
Supplies and Materials	66,650	62,000	59,355	2,645
Other	-	-	45	(45)
Total Supporting Services	515,914	579,500	552,436	27,064
Capital Outlay	-	45,000	47,789	(2,789)
TOTAL EXPENDITURES	515,914	624,500	600,225	24,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(66,914)	(144,704)	(110,454)	34,250
OTHER FINANCING SOURCES (USES)				
Transfers In	65,000	145,000	145,000	-
CHANGE IN FUND BALANCE	(1,914)	296	34,546	34,250
FUND BALANCE, Beginning	17,707	23,292	23,292	-
FUND BALANCE, Ending	<u>\$ 15,793</u>	<u>\$ 23,588</u>	<u>\$ 57,838</u>	<u>\$ 34,250</u>

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Rental Revenue	\$ 344,400	\$ 344,400	\$ 345,935	\$ 1,535
Investment Income	-	-	164	164
TOTAL REVENUES	344,400	344,400	346,099	1,699
EXPENDITURES				
Current				
Supporting Services				
Purchased Services	93,450	160,700	165,493	(4,793)
Supplies and Materials	22,000	29,000	23,333	5,667
Other	16,000	26,650	26,308	342
Total Supporting Services	131,450	216,350	215,134	1,216
Capital Outlay	10,000	20,000	18,811	1,189
Debt Service				
Principal	115,000	115,000	115,000	-
Interest	80,350	80,350	76,975	3,375
Total Debt Service	195,350	195,350	191,975	3,375
TOTAL EXPENDITURES	336,800	431,700	425,920	5,780
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,600	(87,300)	(79,821)	7,479
OTHER FINANCING SOURCES				
Transfers In	-	90,000	90,000	-
CHANGE IN FUND BALANCE	7,600	2,700	10,179	7,479
FUND BALANCE, Beginning	13,389	15,860	15,860	-
FUND BALANCE, Ending	\$ 20,989	\$ 18,560	\$ 26,039	\$ 7,479

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
PALM THEATRE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 211,792	\$ 211,792	\$ 185,301	\$ (26,491)
State Sources	9,000	9,000	2,444	(6,556)
TOTAL REVENUES	220,792	220,792	187,745	(33,047)
EXPENDITURES				
Current				
Supporting Services				
Salaries	162,523	162,523	140,789	21,734
Benefits	58,269	58,269	46,956	11,313
TOTAL EXPENDITURES	220,792	220,792	187,745	33,047
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	25,076	25,076	25,076	-
FUND BALANCE, Ending	\$ 25,076	\$ 25,076	\$ 25,076	-

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 3,860,000	\$ 3,860,000	\$ 3,876,228	\$ 16,228
Investment Income	125,000	125,000	156,489	31,489
TOTAL REVENUES	<u>3,985,000</u>	<u>3,985,000</u>	<u>4,032,717</u>	<u>47,717</u>
EXPENDITURES				
Debt Service				
Principal	2,140,000	2,140,000	2,140,000	-
Interest	1,918,940	1,918,940	1,918,940	-
Fees and Charges	1,500	1,500	1,000	500
TOTAL EXPENDITURES	<u>4,060,440</u>	<u>4,060,440</u>	<u>4,059,940</u>	<u>500</u>
CHANGE IN FUND BALANCE	(75,440)	(75,440)	(27,223)	48,217
FUND BALANCE, Beginning	<u>4,856,047</u>	<u>4,733,050</u>	<u>4,733,050</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 4,780,607</u>	<u>\$ 4,657,610</u>	<u>\$ 4,705,827</u>	<u>\$ 48,217</u>

TELLURIDE SCHOOL DISTRICT R-1
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 1,200,000	\$ 1,200,000	\$ 1,277,705	\$ 77,705
State Sources	-	-	1,587	1,587
TOTAL REVENUES	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,279,292</u>	<u>79,292</u>
EXPENDITURES				
Current				
Supporting Services				
Salaries	92,711	92,711	92,764	(53)
Benefits	30,490	30,490	31,911	(1,421)
Purchased Services	<u>805,000</u>	<u>805,000</u>	<u>652,889</u>	<u>152,111</u>
Total Supporting Services	<u>928,201</u>	<u>928,201</u>	<u>777,564</u>	<u>150,637</u>
Capital Outlay	<u>9,990,000</u>	<u>9,990,000</u>	<u>7,495,544</u>	<u>2,494,456</u>
TOTAL EXPENDITURES	<u>10,918,201</u>	<u>10,918,201</u>	<u>8,273,108</u>	<u>2,645,093</u>
CHANGE IN FUND BALANCE	(9,718,201)	(9,718,201)	(6,993,816)	2,724,385
FUND BALANCE, Beginning	<u>31,250,000</u>	<u>31,513,058</u>	<u>31,513,058</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 21,531,799</u>	<u>\$ 21,794,857</u>	<u>\$ 24,519,242</u>	<u>\$ 2,724,385</u>

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education

Auditors Integrity Report

District: 2830 - Telluride R-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	5,734,788	19,295,795	19,268,234	5,762,349
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	5,734,788	19,295,795	19,268,234	5,762,349
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	40,937	623,845	613,666	51,116
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	60,428	469,108	493,322	36,213
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	3,418	757,727	759,444	1,701
25 Transportation Fund	23,292	634,772	600,225	57,839
31 Bond Redemption Fund	4,733,050	4,032,716	4,059,940	4,705,826
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	31,513,058	1,279,294	8,273,110	24,519,242
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	42,108,971	27,093,257	34,067,941	35,134,287
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL