

**SIERRA GRANDE SCHOOL DISTRICT R-30  
BLANCA, COLORADO**

**FINANCIAL STATEMENTS**

**June 30, 2025**



**Wall,  
Smith,  
Bateman** Inc.  
Certified Public Accountants

# SIERRA GRANDE SCHOOL DISTRICT R-30

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June 30, 2025

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Sierra Grande School District R-30  
Blanca, Colorado



Wall,  
Smith,  
Bateman Inc.

### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 the 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.

### *Auditors' 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 auditors' 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,

**Certified Public Accountants**

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefits information, as 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 07, 2026

**SIERRA GRANDE SCHOOL DISTRICT R-30**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# SIERRA GRANDE SCHOOL DISTRICT R-30 Management's Discussion and Analysis for the Year Ended June 30, 2025

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## *INTRODUCTION*

The Sierra Grande School District Superintendent, Business Manager and District Administrative Assistant are making available to the general public in a narrative overview and analysis of the financial condition of the District. This narrative identifies the different funds currently used by the School District financial administration team in managing the revenues and expenditures of the District. This abstract is a management analysis of the 2025 fiscal year which began on July 1, 2024, and ended June 30, 2025.

This abstract is intended to be read and understood by any and all parents, taxpayers, and residents of the School District. Its primary purpose is to allow all interested parties to examine in an uncomplicated form the financial condition of the District and to cause the reader to be satisfied with the financial condition of the District or to raise appropriate questions for discussion.

## *FINANCIAL HIGHLIGHTS*

- 1. General Fund** – During the 2024-2025 fiscal year the District received local property taxes and other sources for a total of \$5,372,250 in total revenue. Actual expenditures were \$2,065,513 less than budgeted.
- 2. Government Designated Purpose Grants Funds** -The Governmental Designated Purpose Grants Fund beginning fund balance was \$0. The grant fund had revenue of \$503,106 and expenditures of \$503,106 for an ending fund balance of \$0.
- 3. Pupil Activity Fund** - The Pupil Activity Fund records financial transactions of school sponsored pupil intra-scholastic and interscholastic athletic and other related activities. The activities are supported primarily by the General Fund. Other revenues such as gate receipts and fund-raising events contribute to the revenues of this fund. The beginning fund balance for the fund was \$142,845 with revenues and transfers of \$166,864 and expenditures of \$106,104 for an ending fund balance of \$203,605.
- 4. Food Service Fund**- The Food Service Fund had a beginning fund balance of \$42,254. The total revenues from the Federal and State Programs, General Fund transfers, and collections equal \$316,757. Expenditures for the 2025 fiscal year totaled \$365,987 leaving an end of the year fund balance of (\$6,976).

5. **Bond Redemption Fund-** The Bond Redemption had a beginning fund balance of \$1,542,684. The total revenues from property taxes and interest income equal \$1,110,056. Expenditures for the 2025 fiscal year totaled \$1,009,674 leaving an end of the year fund balance of \$1,643,066.
6. **Building Fund-** The Building Fund had a beginning fund balance of \$2,709,096. The total revenues from Interest income equal \$143,272. Expenditures and transfers for the 2025 fiscal year totaled \$191,574 leaving an end of the year fund balance of \$2,660,794.

## *OVERVIEW OF THE FINANCIAL STATEMENTS*

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

### ***District-wide Statements***

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school facilities.
- **Governmental activities-** Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. These activities are financed mainly through property taxes and state equalization funds.

## ***BUDGETARY HIGHLIGHTS***

### General Fund

The General Fund budget is prepared with liberal expenditures identified to assure that we do not overspend categories. However, we monitor each account on a monthly basis to ensure that each category maintains a significant and sizeable balance at any given time. Revenues are budgeted conservatively to reflect actual income as close as possible.

There are numerous budgetary practices. This approach has served the District well over the years.

### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District uses one type of fund:

- **Governmental funds-** The District's activity is included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of 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 District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in a reconciliation explains the relationship (or difference) between them.

The governmental funds are as follows:

- **General Fund-** (Governmental Fund) is used to account for all financial resources except those required to be accounted for in another fund (GASB 1300.104). The General fund is used to account for all ordinary operations of a school system.
- **Governmental Designated Purpose Grants Fund-** is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The funds may be used to account for certain designated restricted local, state, and federal grants.
- **Pupil Activity Fund** -is used to record financial transactions related to school-sponsored pupil intra-scholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenue from pupils, gate receipts, other fund-raising activities, and transfers from the General Fund.
- **Colorado Preschool Program Fund** - Moneys allocated pursuant to section 22-28-108(5.5) shall be deposited in the preschool program fund of the District. In addition, any other moneys of the District that may be used to pay the costs of providing preschool services directly to children enrolled in the District's preschool program pursuant to article 28 of this title may be deposited in the preschool program fund of the District. Expenditures from the fund shall only be made to pay the costs of providing preschool services directly to children enrolled in the District's preschool program pursuant to article 28 of this title. Such costs shall include teacher and paraprofessional salaries and benefits, supplies and materials, home visits, the entire cost of any preschool program contracted services, any associated professional development activities, costs that a District would not otherwise have incurred but for the services provided in conjunction with the five percent of such overhead costs. Any moneys remaining in the fund at the end of the year shall remain in the fund.
  - **Food Service Fund-** is used to record financial transactions related to food service operations. If the school District receives USDA school breakfast/lunch money this fund is required.
  - **Bond Redemption Fund-** is used to account for the accumulation of resources for the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved financed – purchase debt.
  - **Building Fund-** is used to account for all resources available for acquiring capital sites, building, and equipment. Specifically, bond and grant proceeds for the BEST K-12 construction project.

***FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE***

The District's combined net position was \$35,981,759 on June 30, 2025, which was more than at June 30, 2024, increasing by \$580,640.

Table 1 provides a summary of the District's net position for fiscal year 2024 and 2025.

**Table 1**  
**Condensed Statement of Net position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2025</b>
Assets		
Current assets	\$10,230,132	\$10,915,110
Capital assets	\$45,631,409	\$44,842,910
<b>Total assets</b>	<b>\$55,861,541</b>	<b>\$55,758,020</b>
Deferred Outflows	\$2,360,207	\$1,477,484
Liabilities		
Current liabilities	\$1,150,022	\$1,115,905
Non-current liabilities	\$20,919,335	\$18,714,044
<b>Total liabilities</b>	<b>\$22,069,357</b>	<b>\$19,829,949</b>
Deferre Inflows of Resources:		
Unavailable Revenue-Property Tax	\$221,281	\$434,041
Pensions	\$529,991	\$989,755
Net position		
Net investment in capital assets	\$31,458,359	\$31,403,175
Restricted for: TABOR		
Restricted:	\$4,687,936	\$4,757,985
Unrestricted	\$(744,636)	\$(149,401)
<b>Total net position</b>	<b>\$35,401,119</b>	<b>\$35,981,759</b>

The effect of the PERA pension and OPEB on the District's total net position for the fiscal Year 2024 and 2025 is summarized below:

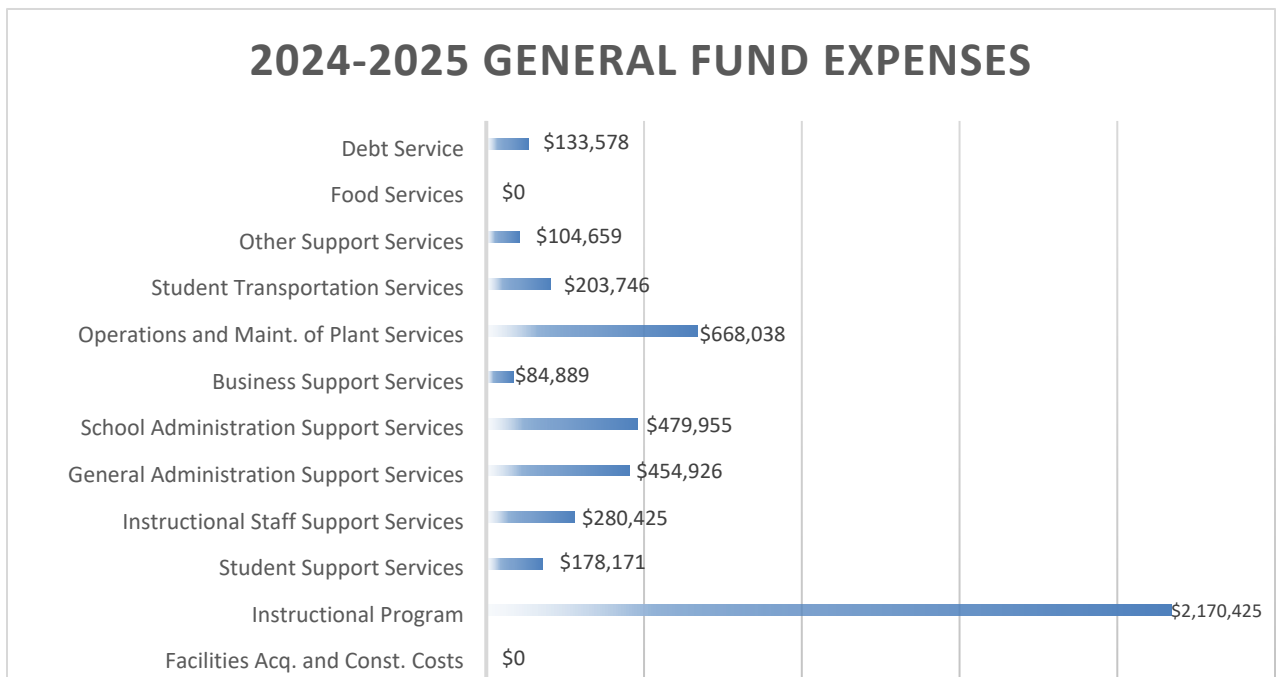
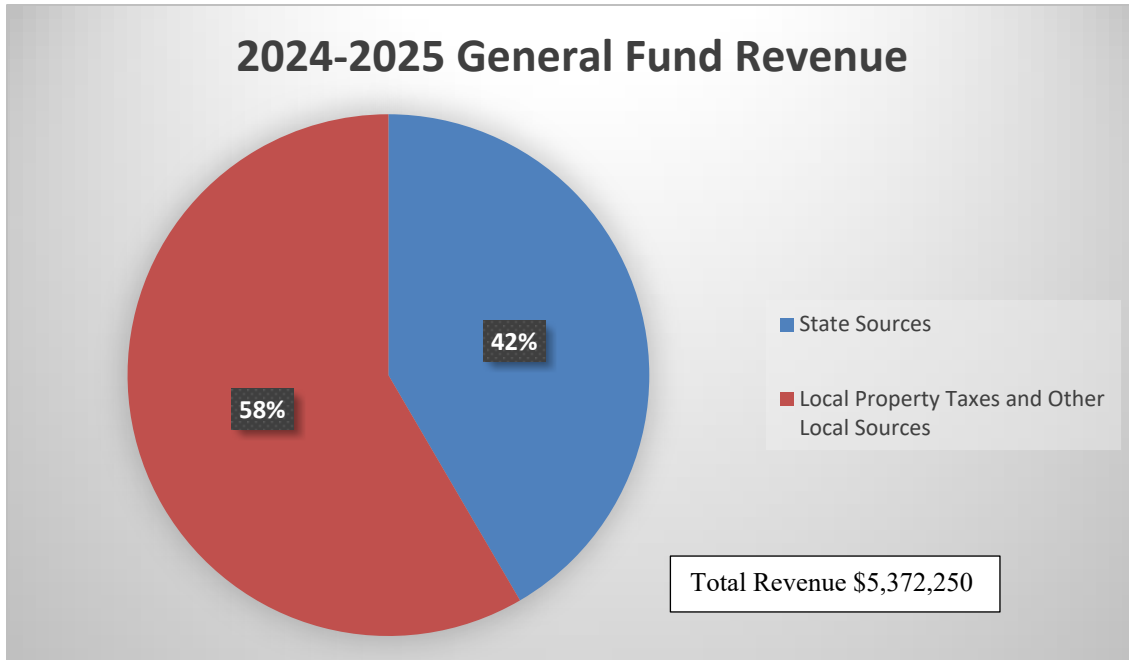
	Fiscal Year 2024	Fiscal Year 2025
Net Position (GAAP Basis)	\$ 35,401,119	\$ 35,981,759
GASB 68- Pension	5,413,342	5,287,775
GASB 75- OPEB	201,805	159,614
<b>Net Position Excluding Pension and OPEB</b>	<b>\$ 41,016,266</b>	<b>\$ 41,429,148</b>

The effect of the PERA pension and OPEB expense on the District's unrestricted net position is summarized below:

	Fiscal Year 2024	Fiscal Year 2025
Net Position (GAAP Basis)	\$ (744,636)	\$ (149,401)
GASB 68- Pension	5,413,342	5,287,775
GASB 75- OPEB	201,805	159,614
<b>Net Position Excluding Pension and OPEB</b>	<b>\$ 4,870,511</b>	<b>\$ 5,297,988</b>

**Table 2**  
**Changes in Net position**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2025</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$35,276	\$68,101
Operating grants & contributions	\$1,717,628	\$1,118,582
Capital grants & contributions	\$0.00	\$0.00
<b>General Revenues</b>		
Taxes	\$4,153,931	\$4,005,728
State Equalization	\$1,551,477	\$1,902,157
Interest on Investments	\$258,140	\$243,557
Transfers		
Miscellaneous	\$91,911	\$112,180
<b>Total revenues</b>	<b>\$7,808,263</b>	<b>\$7,450,305</b>
<b>Expenses</b>		
Instructional Program	\$3,604,075	\$3,366,584
Student Supporting Services	\$118,758	\$170,684
Instructional Staff Supporting Services	\$551,701	\$594,781
General Administration Supporting Services	\$482,055	\$473,070
School Administration Supporting Services	\$324,148	\$442,238
Business Supporting Services	\$95,150	\$83,518
Operations & Maintenance of Plant Services	\$681,532	\$669,648
Student Transportation Services	\$59,110	\$139,554
Other Support Services	\$75,966	\$104,659
Interest on Long-term Debt	\$439,265	\$409,937
Food Services	\$362,424	\$358,165
Facilities Acquisition & Const.	\$160,197	\$56,827
<b>Total expenses</b>	<b>\$6,954,381</b>	<b>\$6,869,665</b>
<b>Special Item</b>		
Increase (decrease) in net position	\$853,882	\$580,640
<b>Net Position, Beginning of Year</b>	<b>\$34,547,237</b>	<b>\$35,401,119</b>
<b>Net Position, End of Year</b>	<b>\$35,401,119</b>	<b>\$35,981,759</b>



## GRANTS

### Revenue

#### *State Sources*

\$96,409

#### **Subtotal State Sources**

**\$96,409**

#### *Federal Sources*

\$369,252

#### **Subtotal Federal Source**

**\$369,252**

#### *Local Sources*

\$37,445

#### **Total Grants Revenue**

**\$503,106**

## EXPENDITURES

Instructional Program

\$170,925

Instructional Staff Support Services

\$322,795

General Supporting Services

\$ 3,001

School Support Services

\$ 4,529

Business Supporting Services

\$ 1,856

Operations and Maintenance Services

**Total Grants Expenditures**

**\$503,106**

<b>GENERAL FUND ENDING FUND BALANCES</b>	
2011	\$740,906
2012	\$880,313
2013	\$668,474
2014	\$470,187
2015	\$524,807
2016	\$877,514
2017	\$993,792
2018	\$1,310,482
2019	\$1,869,143
2020	\$2,689,832
2021	\$2,716,397
2022	\$2,985,487
2023	\$3,839,595
2024	\$5,164,764
2025	\$5,623,202

## HISTORICAL DATA OCTOBER 1 STUDENT COUNT

### Governmental Activities

FUNDED PUPIL COUNTS/FUNDING PER PUPIL			
October 1, 2004	FY2005	294.7	\$8156.45
October 1, 2005	FY2006	294.3	\$8199.49
October 1, 2006	FY2007	290.0	\$8554.74
October 1, 2007	FY2008	280.0	\$8959.81
October 1, 2008	FY2009	276.4	\$9278.95
October 1, 2009	FY2010	266.9	\$9880.49
October 1, 2010	FY2011	257.5	\$9710.14
October 1, 2011	FY2012	269.0	\$9054.47
October 1, 2012	FY2013	261.5	\$9181.69
October 1, 2013	FY2014	261.6	\$9350.22
October 1, 2014	FY2015	264.4	\$9830.10
October 1, 2015	FY2016	295.4	\$9903.05
October 1, 2016	FY2017	285.1	\$10,084.40
October 1, 2017	FY2018	254.4	\$11,905.05
October 1, 2018	FY2019	263.0	\$11,211.24
October 1, 2019	FY2020	247.5	\$11,662.28
October 1, 2020	FY2021	242.0	\$11,270.62
October 1, 2021	FY2022	237.5	\$12,283.55
October 1, 2022	FY2023	272.4	\$13,179.86
October 1, 2023	FY2024	276.0	\$14,044.35
October 1, 2024	FY2025	286.0	\$15,555.34

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$15,555.34 per funded student in FY 2025. In fiscal year 2024 the per pupil funding was \$14,044.35. Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District receives approximately 40 percent of this funding from state equalization while 60 percent comes from local property and other taxes.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Information about the District's major funds is located in the Notes to the Basic Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$7,457,305 and expenditures of \$6,935,257.

## CAPITAL ASSET ADMINISTRATION

By the end of fiscal year 2025, the District has \$44,842,910 in land, buildings, and equipment (including vehicles), net of accumulated depreciation.

Table 5 shows capital assets for 2024 and 2025.

**Table 5**  
**Capital Assets at June 30, 2025**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2025</b>
Land	\$422,453	422,453
Construction in Progress	\$37,228	\$137,882
Land Improvements	\$34,561	\$34,561
Buildings	\$46,816,718	\$46,816,718
Equipment & Vehicles	\$989,008	\$1,066,657
Accumulated depreciation	\$(2,668,559)	\$(3,635,361)
<b>TOTAL</b>	<b>\$45,631,409</b>	<b>\$44,842,910</b>

Additional information on the District’s capital assets can be found in Note 7 in the Notes to the Basic Financial Statements.

**LONG TERM LIABILITIES**

Long-term liability balance for the year ended June 30, 2025 were as follows:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2025</b>
Bond Payable	\$11,960,000	\$11,445,000
Unamortized Bond Premium	\$1,688,649	\$1,583,109
Financed Purchase Agreement	\$524,401	\$411,626
Compensated Absences	\$43,736	\$97,718
<b>TOTAL</b>	<b>\$14,216,786</b>	<b>\$13,537,453</b>

**FACTORS BEARING ON THE DISTRICT’S FUTURE**

At the time these financial statements were prepared and audited, there was an identified trend of increasing pupil enrollment. There is also an identified trend in the escalation of prices in support services. Financial projections and planning need to continue to adequately budget for these items.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

### FINANCIAL ADMINISTRATION TEAM

Kevin Jones, Superintendent  
Tammy Ann Mizokami, Business Manager

### BOARD OF EDUCATION

Walter Roybal  
Ramon Garcia  
Eric Martinez  
Cassandra Taylor  
Emerald Tamada

Sierra Grande School District R-30  
17523 Hwy. 160  
Blanca, CO 81123  
(719) 379-3259

**SIERRA GRANDE SCHOOL DISTRICT R-30**

**BASIC FINANCIAL STATEMENTS**

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 9,929,652
Accounts Receivable	274,720
Due from Other Governments	273,622
Property Tax Receivable	434,041
Inventory	3,075
Prepaid Expenses	-
<b>Total Current Assets</b>	<b>10,915,110</b>
<b>Noncurrent Assets</b>	
Capital assets not being depreciated	560,335
Capital assets, net of accumulated depreciation	44,282,575
<b>Total Noncurrent Assets</b>	<b>44,842,910</b>
<b>TOTAL ASSETS</b>	<b>55,758,020</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	1,448,034
OPEB	29,450
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,477,484</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	96,278
Accrued Salaries and Benefits	225,040
Unearned Grant Revenue	36,060
Financed Purchase Agreements	75,998
General Obligation Bonds	645,540
Compensated Absences	36,989
<b>Total Current Liabilities</b>	<b>1,115,905</b>
<b>Noncurrent Liabilities</b>	
Financed Purchase Agreements	335,628
General Obligation Bonds	12,382,569
Compensated Absences	60,729
Net Pension Liability	5,831,648
Net OPEB Liability	103,470
<b>Total Noncurrent Liabilities</b>	<b>18,714,044</b>
<b>TOTAL LIABILITIES</b>	<b>19,829,949</b>

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	<b>Primary Government Governmental Activities</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	904,161
OPEB	85,594
Unavailable Revenue- Property Tax	434,041
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	1,423,796
<b>NET POSITION</b>	
Net Investment in Capital Assets	31,403,175
Restricted	4,727,985
Unrestricted	(149,401)
<b>TOTAL NET POSITION</b>	\$ 35,981,759

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**

**STATEMENT OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Instructional Program	\$ 3,366,584	\$ -	\$ 881,295	\$ -	\$ (2,485,289)
Student Support Services	170,684	-	2,978	-	(167,706)
Instructional Staff Support Services	594,781	-	18,894	-	(575,887)
General Administration Support Services	473,070	17,221	-	-	(455,849)
School Administration Support Services	442,238	-	-	-	(442,238)
Business Support Services	83,518	-	-	-	(83,518)
Operations and Maint. of Plant Services	669,648	-	-	-	(669,648)
Student Transportation Services	139,554	-	49,538	-	(90,016)
Food Services	358,165	50,880	165,877	-	(141,408)
Other Support Services	104,659	-	-	-	(104,659)
Facilities Acquisition and Const. Services	56,827	-	-	-	(56,827)
Interest on Long-term Debt	409,937	-	-	-	(409,937)
<b>Total Governmental Activities</b>	<b>6,869,665</b>	<b>68,101</b>	<b>1,118,582</b>	<b>-</b>	<b>(5,682,982)</b>
<b>Total Primary Government</b>	<b>\$ 6,869,665</b>	<b>\$ 68,101</b>	<b>\$ 1,118,582</b>	<b>\$ -</b>	<b>(5,682,982)</b>
<b>General Revenues</b>					
Taxes:					
					3,842,638
					141,291
					21,799
					1,902,157
					243,557
					112,180
					<b>6,263,622</b>
					<b>Change in Net Position</b>
					580,640
					<b>Net Position, Beginning of Year</b>
					35,401,119
					<b>Net Position, End of Year</b>
					<b>\$ 35,981,759</b>

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2025**

	GOVERNMENTAL						
	GENERAL	DESIGNATED	BOND	BUILDING	TOTAL		TOTAL
	FUND	PURPOSE	REDEMPTION	FUND	NONMAJOR		GOVERNMENTAL
	FUND	GRANTS FUND	FUND	FUND	FUNDS		FUNDS
<b>ASSETS</b>							
Cash and Investments	\$ 5,320,765	\$ 43,236	\$ 1,701,252	\$ 2,660,794	\$ 203,605		\$ 9,929,652
Accounts Receivable	204,147	-	70,573	-	-		274,720
Due from Other Governments	175,421	10,069	60,555	-	27,577		273,622
Property Tax Receivable	335,965	-	98,076	-	-		434,041
Due from Other Funds	210,510	-	-	-	-		210,510
Inventory	-	-	-	-	3,075		3,075
Prepaid Expenses	-	-	-	-	-		-
<b>TOTAL ASSETS</b>	<b>\$ 6,246,808</b>	<b>\$ 53,305</b>	<b>\$ 1,930,456</b>	<b>\$ 2,660,794</b>	<b>\$ 234,257</b>		<b>\$ 11,125,620</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 94,742	\$ (275)	\$ -	\$ -	\$ 1,811		\$ 96,278
Accrued Salaries and Benefits	191,234	19,185	-	-	14,621		225,040
Due to Other Funds	-	-	189,314	-	21,196		210,510
Unearned Grant Revenue	1,665	34,395	-	-	-		36,060
<b>TOTAL LIABILITIES</b>	<b>287,641</b>	<b>53,305</b>	<b>189,314</b>	<b>-</b>	<b>37,628</b>		<b>567,888</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue- Property Tax	335,965	-	98,076	-	-		434,041
<b>FUND BALANCE</b>							
Nonspendable	-	-	-	-	3,075		3,075
Restricted	424,125	-	1,643,066	2,660,794	-		4,727,985
Committed	-	-	-	-	203,605		203,605
Assigned	1,040,000	-	-	-	-		1,040,000
Unassigned	4,159,077	-	-	-	(10,051)		4,149,026
<b>TOTAL FUND BALANCE</b>	<b>5,623,202</b>	<b>-</b>	<b>1,643,066</b>	<b>2,660,794</b>	<b>196,629</b>		<b>10,123,691</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
	<b>\$ 6,246,808</b>	<b>\$ 53,305</b>	<b>\$ 1,930,456</b>	<b>\$ 2,660,794</b>	<b>\$ 234,257</b>		<b>\$ 11,125,620</b>

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

<b>Total governmental fund balances</b>	\$	10,123,691
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		44,842,910
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		1,477,484
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	\$ (11,445,000)	
Bond Premium	(1,583,109)	
Financed Purchase Agreements	(411,626)	
Compensated Absences	<u>(97,718)</u>	
		(13,537,453)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(5,935,118)
Certain amounts related to the net pension and OPEB liability are deferred and amortized over time. These are not reported in the funds.		<u>(989,755)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u><u>35,981,759</u></u></b>

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2025**

	<b>GENERAL FUND</b>	<b>GOVERNEMENTAL DESIGNATED PURPOSE GRANTS FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>BUILDING FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>						
Local Sources	\$ 3,138,223	\$ 37,445	\$ 1,110,056	\$ 143,272	\$ 162,744	\$ 4,591,740
State Sources	2,234,027	96,409	-	-	1,275	2,331,711
Federal Sources	-	369,252	-	-	164,602	533,854
<b>TOTAL REVENUES</b>	<b>5,372,250</b>	<b>503,106</b>	<b>1,110,056</b>	<b>143,272</b>	<b>328,621</b>	<b>7,457,305</b>
<b>EXPENDITURES</b>						
Instructional Program	2,170,425	170,925	-	-	106,104	2,447,454
Student Support Services	178,171	-	-	-	-	178,171
Instructional Staff Support Services	280,425	322,795	-	-	-	603,220
General Administration Support Services	479,955	3,001	-	-	-	482,956
School Administration Support Services	454,926	4,529	-	-	-	459,455
Business Support Services	84,889	1,856	-	-	-	86,745
Operations and Maint. of Plant Services	668,038	-	-	-	-	668,038
Student Transportation Services	203,746	-	-	-	-	203,746
Food Services	-	-	-	-	365,987	365,987
Other Support Services	104,659	-	-	-	-	104,659
Facilities Acq. and Const. Costs	-	-	-	191,574	-	191,574
Debt Service	133,578	-	1,009,674	-	-	1,143,252
<b>TOTAL EXPENDITURES</b>	<b>4,758,812</b>	<b>503,106</b>	<b>1,009,674</b>	<b>191,574</b>	<b>472,091</b>	<b>6,935,257</b>
Excess (deficiency) of revenues over expenditures	613,438	-	100,382	(48,302)	(143,470)	522,048
<b>OTHER FINANCING SOURCES (USES)</b>						
Financed Purchase Proceeds	-	-	-	-	-	-
Transfers To/From Other Funds	(155,000)	-	-	-	155,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(155,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,000</b>	<b>-</b>
Net Change in Fund Balance	458,438	-	100,382	(48,302)	11,530	522,048
<b>Fund Balance, Beginning of Year</b>	<b>5,164,764</b>	<b>-</b>	<b>1,542,684</b>	<b>2,709,096</b>	<b>185,099</b>	<b>9,601,643</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,623,202</b>	<b>\$ -</b>	<b>\$ 1,643,066</b>	<b>\$ 2,660,794</b>	<b>\$ 196,629</b>	<b>\$ 10,123,691</b>

The accompanying notes are an integral part of this financial statement.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Net change in fund balances - total governmental funds** \$ 522,048

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in the capital assets in the current period.

Capital Asset Additions	\$ 241,303	
Depreciation Expense	(1,022,802)	
Fixed Asset Deletions Net of Accumulated Depreciation	<u>(7,000)</u>	(788,499)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bond Payment	515,000	
Bond Premium Amortization	105,540	
Principal payments on financed purchase agreements	<u>112,775</u>	733,315

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 the governmental funds.

Compensated Absences		(53,982)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB revenue (expense).

		<u>167,758</u>
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**Change in net position of governmental activities** **\$ 580,640**

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

**REPORTING ENTITY**

***Primary Government***

Sierra Grande School District R-30 is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the District. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

***Component Units***

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the District has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary 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 are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Governmental Designated Purpose Grants Fund** is used to account for revenues and expenditures associated with Federal Grants.
- The **Bond Redemption Fund** is used to account for the accumulation of resources for the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved financed-purchase debt.
- The **Building Fund** is used to account for all resources available for acquiring capital sites, buildings, and equipment. Specifically, bond and grant proceeds for the BEST K-12 construction project.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between governmental activities and business-type activities which are presented as internal balances and eliminated in the total primary government column.

**ASSETS, DEFERRED OUFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**Cash**

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with maturity of three months or less.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

***Investments***

All investments, if any, are recorded at fair market value.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2025 have been recorded in the financial statements as an asset and a corresponding deferred inflows of resources.

***Receivables/Payables From Other District Funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

***Inventories***

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values.

***USDA Commodities***

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as expense.

***Capital Assets***

Capital Assets, which include land, land improvements, buildings, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15-50
Buildings	10-50
Equipment	3-20
Vehicles	8-10

***Long-Term Obligations***

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

***Compensated Absences***

Employees of the District may accumulate sick leave up to 60 days. Upon retirement from the District, an employee will receive one-half the certified substitute teacher's rate per day for each sick day accumulated. Employees leaving the District for any other reason will receive one-fourth the daily substitute rate for each sick day accumulated. A liability is accrued in the government-wide financial statements.

***Unearned Grant Revenue***

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position and the balance sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

***Pensions***

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

***Other Post-Employment Benefits (OPEB)***

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

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

***Net Position***

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

***Fund Balance***

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

As of June 30, 2025, fund balances for the governmental funds are composed of the following:

	<b>GOVERNMENTAL DESIGNATED</b>				<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL</b>
	<b>GENERAL FUND</b>	<b>PURPOSE GRANTS FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>BUILDING FUND</b>		
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 3,075	\$ 3,075
Restricted for						
TABOR	182,000	-	-	-	-	182,000
Debt Service	-	-	1,643,066	-	-	1,643,066
Preschool	242,125	-	-	-	-	242,125
Capital Projects	-	-	-	2,660,794	-	2,660,794
	<u>424,125</u>	<u>-</u>	<u>1,643,066</u>	<u>2,660,794</u>	<u>-</u>	<u>4,727,985</u>
Committed						
Grant Programs	-	-	-	-	-	-
Pupil Activities	-	-	-	-	203,605	203,605
Food Services	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,643,066</u>	<u>5,321,588</u>	<u>203,605</u>	<u>203,605</u>
Assigned						
Subsequent Year Expenditures	1,040,000	-	-	-	-	1,040,000
Unassigned	<u>4,159,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,051)</u>	<u>4,149,026</u>
Total Fund Balance	<u>\$ 5,623,202</u>	<u>\$ -</u>	<u>\$ 3,286,132</u>	<u>\$ 7,982,382</u>	<u>\$ 196,629</u>	<u>\$ 10,123,691</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

***Encumbrances***

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Use of Estimates***

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

***New Accounting Pronouncements***

During fiscal year 2025, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, that aligns the recognition and measurement guidance for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2025**

previously required disclosures. There is no effect on beginning net position as a result of the implementation of this standard.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

Sierra Grande School District R-30 follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than June 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of Education adopted supplemental appropriations during fiscal year 2025.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

***Stewardship***

Expenditures exceeded budgeted appropriations in the Governmental Designated Grants Fund by \$149,784 during fiscal year 2025. This may be a violation of Colorado Revised Statutes 22-44-115(1).

The Food Service Fund had a deficit fund balance of \$6,976 as of June 30, 2025.

**NOTE 3 CASH, DEPOSITS, AND INVESTMENTS**

A summary of Cash, Deposits, and Investments for the District are as follows:

Cash in Banks	\$ 4,032,281
COLOTRUST Investments	<u>5,897,371</u>
Total cash, deposits, and investments on the Statement of Net Position	<u><u>\$ 9,929,652</u></u>

***Cash and Deposits***

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% to the aggregate uninsured deposit.

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***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$3,867,111 of the District’s bank balance of \$4,130,060 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

***Investments***

Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest, which include the following:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

*Fair Value*- Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs. The District does not have any investments measured at fair value at June 30, 2025.

The District invested \$5,897,371 in the Colorado Government Liquid Asset Trust (COLOTRUST), a money market investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State Statutes governing COLOTRUST. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by the U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the entities. COLOTRUST is rated AAAM by Standard and Poors, and maintains a constant net asset value of \$1 per share. Financial statements for COLOTRUST are available at [www.colotrust.com](http://www.colotrust.com).

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

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligation. State statutes limit investments in U.S. Agency securities to the highest rating issued by National Recognized Statistical Rating Organizations (NRSROs).

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*Concentration of Credit Risk* – The risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District has not established a policy limiting the investment in any type of security and deems it unnecessary at this time

**NOTE 4 PROPERTY TAXES RECEIVABLE**

At June 30, 2025, the District had an estimated property tax receivable of \$434,041.

**NOTE 5 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of June 30, 2025, the District had \$273,622 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***Interfund Receivables/Payables***

The District reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at June 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Bond Redemption Fund	\$ 189,314
General Fund	Food Service Fund	21,196
		\$ 210,510

***Interfund Transfers***

Interfund transfers for the year ended June 30, 2025, were as follows:

Transfer In	Transfer Out	Amount
Food Service Fund	General Fund	\$ 100,000
Student Activity Fund	General Fund	55,000
		\$ 155,000

The General Fund transferred funds into the Food Service Fund and Student Activity Fund to subsidize these funds.

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**NOTE 7 CAPITAL ASSETS**

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

	Balance 06/30/2024	Additions	Deletions	Balance 06/30/2025
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 422,453	\$ -	\$ -	422,453
Construction In Progress	37,228	100,654	-	137,882
Total capital assets not being depreciated	<u>459,681</u>	<u>100,654</u>	<u>-</u>	<u>560,335</u>
Capital assets being depreciated				
Land improvements	34,561	-	-	34,561
Buildings	46,816,718	-	-	46,816,718
Equipment	199,011	10,103	-	209,114
Vehicles	789,997	130,546	63,000	857,543
Total capital assets being depreciated	<u>47,840,287</u>	<u>140,649</u>	<u>63,000</u>	<u>47,917,936</u>
Less accumulated depreciation for:				
Land improvements	2,461	1,992	-	4,453
Buildings	1,985,150	957,684	-	2,942,834
Equipment	56,662	15,488	-	72,150
Vehicles	624,286	47,638	56,000	615,924
Total accumulated depreciation	<u>2,668,559</u>	<u>1,022,802</u>	<u>56,000</u>	<u>3,635,361</u>
Total Capital Assets being depreciated, net	<u>45,171,728</u>	<u>(882,153)</u>	<u>7,000</u>	<u>44,282,575</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,631,409</u>	<u>\$ (781,499)</u>	<u>\$ 7,000</u>	<u>\$ 44,842,910</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>	
Instructional Program	\$ 955,975
Instructional Staff Support Services	6,694
Operations and Maintenance of Plant Services	12,495
Student Transportation Services	47,638
Total depreciation expense – governmental activities	<u>\$ 1,022,802</u>

**NOTE 8 ACCRUED SALARIES AND BENEFITS**

The teachers, administrators, and the administrative staff are employed under nine-, ten-, and eleven-month contracts. All District employees are paid on a twelve-month basis; therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$225,040.

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**NOTE 9 LONG-TERM LIABILITIES**

***Changes in Long-Term Liabilities***

Long-term liability balances for the year ended June 30, 2025, were as follows:

	Beginning Balance 06/30/2024	Additions	Deletions	Ending Balance 06/30/2025	Due Within One Year
<i>Governmental Activities:</i>					
Bonds Payable	\$ 11,960,000	\$ -	\$ (515,000)	\$ 11,445,000	\$ 540,000
Unamortized Bond Premium	1,688,649	-	(105,540)	1,583,109	105,540
Financed Purchase Agreements	524,401	-	(112,775)	411,626	75,998
Compensated Absences*	43,736	53,982	-	97,718	36,989
<b>Total</b>	<b>\$ 14,216,786</b>	<b>\$ 53,982</b>	<b>\$ (733,315)</b>	<b>\$ 13,537,453</b>	<b>\$ 758,527</b>

\*The change in compensated absences liability is presented as net change.

***General Obligation Bond Payable***

On December 9, 2019, the District issued General Obligation Bonds Series 2019 in the amount of \$13,780,000 with an interest rate of 5.00% to be paid in full December 1, 2039. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction of the new school building and facilities. Principal is due annually on December 1, and interest at a rate of 3%-5% is due semiannually on June 1, and December 1. Payments are made through the Bond Redemption Fund.

The annual debt service for the General Obligation Bond Payable is as follows:

	Principal	Interest	Total
FY 26	\$ 540,000	\$ 468,300	\$ 1,008,300
FY 27	570,000	440,550	1,010,550
FY 28	600,000	411,300	1,011,300
FY 29	625,000	380,675	1,005,675
FY 30	660,000	348,550	1,008,550
FY31-35	3,810,000	1,225,975	5,035,975
FY36-40	4,640,000	399,250	5,039,250
	<b>\$ 11,445,000</b>	<b>\$ 3,674,600</b>	<b>\$ 15,119,600</b>

***Financed Purchase Agreements***

The District entered into a \$750,000 financed purchase agreement with San Luis Valley Federal Bank, payable in annual installments of \$92,422, beginning May 15, 2021, at 3.99% interest, to pay off the existing financed purchase agreement with First Southwest Bank and finance the purchase of land, teacher housing, and a new bus. The final payment is due May 15, 2030. The agreement is collateralized by District vehicles, recorded in capital assets of the government-wide financial statements at \$617,699 less accumulated depreciation of \$572,480. The principal balance at June 30, 2025 was \$411,626.

The District entered into an \$115,000 financed purchase agreement with San Luis Valley Federal Bank, payable in annual installments of \$41,118 beginning December 14, 2021, at 3.59% interest, to pay off the existing agreement with First Southwest Bank and finance the purchase of a cat skid steer loader and two side by sides. The final payment

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was due December 14, 2024. The agreement is collateralized by District equipment, recorded in capital assets of the government-wide financial statements at \$99,526 less accumulated depreciation of \$39,812. The principal balance at June 30, 2025 is \$0.

The future minimum payments are as follows:

	Principal	Interest	Total
FY 26	\$ 75,998	\$ 16,424	\$ 92,422
FY 27	79,031	13,392	92,423
FY 28	82,156	10,266	92,422
FY 29	85,462	6,960	92,422
FY 30	88,979	3,550	92,529
	\$ 411,626	\$ 50,592	\$ 462,218

**NOTE 10 DEFINED BENEFIT PENSION PLAN**

***General Information about the Pension Plan***

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

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure

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who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2025.* Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$548,499, for the year ended June 30, 2025.

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

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

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

At June 30, 2025, the District reported a liability of \$5,831,647 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Sierra Grande School District's proportionate share of the net position liability	\$ 5,831,647
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Sierra Grande School District	<u>523,775</u>
Total	<u><u>\$ 6,355,422</u></u>

At December 31, 2024, the District's proportion was 0.034%, which was a decrease of 0.007% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of (\$125,567) and revenue of \$47,805 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
Difference between expected and actual experience	\$ 330,237	\$ -
Changes in assumptions and other inputs	43,721	-
Net difference between projected and actual earnings on pension plan investments	110,027	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	675,882	904,161
Contributions subsequent to the measurement date	<u>288,167</u>	<u>-</u>
Total	<u><u>\$ 1,448,034</u></u>	<u><u>\$ 904,161</u></u>

\$288,167 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended June 30,	
2026	\$ 393,473
2027	247,479
2028	(306,775)
2029	(78,471)
2030	-
Thereafter	-

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

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

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

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

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 7,906,362	\$ 5,831,647	\$ 4,093,784

*Pension plan fiduciary net position-* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS**

***General Information about the OPEB Plan***

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

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

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

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

***PERA Benefit Structure***

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$27,452 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$103,470 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.022%, which was a decrease of 0.003% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025 the District recognized OPEB income of (\$42,191). 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
Difference between expected and actual experience	\$ -	\$ 22,823
Net difference between projected and actual earnings on		
OPEB plan investments	351	-
Changes of assumptions or other inputs	1,186	33,074
Changes in proportion and differences between contributions		
recognized and proportionate share of contributions	13,491	-
Contributions subsequent to the measurement date	14,422	29,697
Total	\$ 29,450	\$ 85,594

\$14,422 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ended June 30,		
2026	\$	(18,773)
2027		(13,010)
2028		(15,758)
2029		(9,547)
2030		(8,129)
Thereafter		(5,350)

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

Actuarial cost method		Entry age
Price inflation		2.30%
Real wage growth		0.70%
Wage inflation		3.00%
Salary increases, including wage inflation		3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25%
Discount rate		7.25%
Health care cost trend rates		
PERA benefit structure:		
Service-based premium subsidy		0.00 %
PERACare Medicare plans <sup>1</sup>		16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2		105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums		3.50% in 2024, gradually increasing to 4.50% in 2033.

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

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

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**Age-Related Morbidity Assumptions**

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

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

The 2024 Medicare Part A premium is \$506 per month.

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

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

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

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

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Year	PERACare Medicare Plans	MAPD PPO #2	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%

<sup>1</sup> Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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>	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 100,682</u>	<u>\$ 103,470</u>	<u>\$ 106,625</u>

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

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

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- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 126,804	\$ 103,470	\$ 83,353

*OPEB plan fiduciary net position.* Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

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**NOTE 12 DEFINED CONTRIBUTION PENSION PLAN**

**Voluntary Investment Program (PERAPlus 401(k) Plan)**

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

*Funding Policy* - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended 2024, program members contributed \$5,750 for the Voluntary Investment Program. The District did not contribute to this plan during fiscal year 2024.

**NOTE 13 JOINT VENTURES AND RELATED PARTIES**

The District participates in the following entities. These joint ventures and related parties do not meet the criteria for inclusion within the reporting entity because the following entities:

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,
- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

***San Luis Valley Board of Cooperative Educational Services (BOCES)***

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is approximately 7% at June 30, 2025. Complete separate financial statements may be obtained from BOCES.

***Colorado School Districts' Self-Insurance Pool***

The District belongs to the Colorado School Districts' Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, and other coverage. The Board of Directors is composed of eight persons, several of who are appointed by the Board of Directors of CASB and the Executive Director of CASB. The pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both Operating

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and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as expenditures in the General Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2025. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount of expenses which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

***Construction Projects***

The District is in the process of constructing teacher housing units with an estimated total cost of \$1.8 million. As of June 30, 2025, \$137,882 has been expended on the project and is included in construction in progress. The project is expected to be completed in June 2026 and is being funded with the remaining bond funds.

**NOTE 15 TABOR EMERGENCY RESERVE**

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On November 5, 1996, the registered voters approved a ballot question which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 1996 and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve is presented as a restricted fund balance on the General Fund balance sheet and a restricted net position on the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 16 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from the Colorado School Districts Self-Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

## **SIERRA GRANDE SCHOOL DISTRICT R-30**

### **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liability are required to supplement the basic financial statements.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2025**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 2,852,322	\$ 3,328,031	\$ 3,138,223	\$ (189,808)
State Sources	1,866,794	2,296,294	2,234,027	(62,267)
Federal Sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>4,719,116</u>	<u>5,624,325</u>	<u>5,372,250</u>	<u>(252,075)</u>
<b>EXPENDITURES</b>				
Instructional Program	2,293,138	2,664,042	2,170,425	493,617
Student Support Services	259,520	257,820	178,171	79,649
Instructional Staff Support Services	315,000	483,484	280,425	203,059
General Administration Support Services	563,360	665,955	479,955	186,000
School Administration Support Services	357,954	478,885	454,926	23,959
Business Support Services	97,280	99,530	84,889	14,641
Operations and Maintenance of Plant Services	1,097,025	1,161,920	668,038	493,882
Student Transportation Services	361,961	364,451	203,746	160,705
Other Support Services	100,000	180,000	104,659	75,341
Facilities Acquisition and Construction Costs	15,640	20,000	-	20,000
Debt Service	135,500	135,500	133,578	1,922
Reserves	312,738	312,738	-	312,738
<b>TOTAL EXPENDITURES</b>	<u>5,909,116</u>	<u>6,824,325</u>	<u>4,758,812</u>	<u>2,065,513</u>
Excess (deficiency) of revenues over expenditures	<u>(1,190,000)</u>	<u>(1,200,000)</u>	<u>613,438</u>	<u>1,813,438</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	<u>(160,000)</u>	<u>(150,000)</u>	<u>(155,000)</u>	<u>(5,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(160,000)</u>	<u>(150,000)</u>	<u>(155,000)</u>	<u>(5,000)</u>
Net change in fund balance	(1,350,000)	(1,350,000)	458,438	1,808,438
<b>Fund Balance, Beginning of Year</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>5,164,764</u>	<u>3,664,764</u>
<b>Fund Balance, End of Year</b>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 5,623,202</u>	<u>\$ 5,473,202</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND**  
**For the Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 18,000	\$ 25,000	\$ 37,445	\$ 12,445
State Sources	7,000	100,985	96,409	(4,576)
Federal Sources	195,613	227,337	369,252	141,915
<b>TOTAL REVENUES</b>	<b>220,613</b>	<b>353,322</b>	<b>503,106</b>	<b>149,784</b>
<b>EXPENDITURES</b>				
Instructional Program	94,672	126,864	170,925	(44,061)
Instructional Staff Support Services	118,165	218,682	322,795	(104,113)
General Supporting Services	3,670	3,670	3,001	669
School Supporting Services	2,510	2,510	4,529	(2,019)
Business Supporting Services	1,596	1,596	1,856	(260)
Operations and Maintenance Services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>220,613</b>	<b>353,322</b>	<b>503,106</b>	<b>(149,784)</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	-	-	-
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0338%	0.0411%	0.0300%	0.0362%	0.0417%	0.0363%	0.0369%	0.0401%	0.0398%	0.0402%
District's proportionate share of the net pension liability (asset)	\$ 5,831,647	\$ 7,269,826	\$ 5,468,321	\$ 4,217,972	\$ 6,300,610	\$ 5,417,350	\$ 6,540,499	\$ 12,955,278	\$ 11,849,738	\$ 6,154,908
State's proportionate share of the net pension liability (asset) associated with the District	523,775	159,406	1,593,524	483,537	-	687,122	894,322	-	-	-
Total	<u>\$ 6,355,422</u>	<u>\$ 7,429,232</u>	<u>\$ 7,061,845</u>	<u>\$ 4,701,509</u>	<u>\$ 6,300,610</u>	<u>\$ 6,104,472</u>	<u>\$ 7,434,821</u>	<u>\$ 12,955,278</u>	<u>\$ 11,849,738</u>	<u>\$ 6,154,908</u>
District's covered payroll	\$ 2,611,675	\$ 2,717,806	\$ 2,318,297	\$ 2,265,201	\$ 2,229,089	\$ 2,131,131	\$ 2,030,639	\$ 1,848,104	\$ 1,785,504	\$ 1,752,228
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223%	267%	236%	186%	283%	254%	322%	701%	664%	351%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.1%	59.2%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to the Required Supplementary Information.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 548,499	\$ 571,318	\$ 475,785	\$ 459,900	\$ 455,572	\$ 420,985	\$ 393,805	\$ 374,314	\$ 328,881	\$ 313,647
Contributions in relation to the contractually required contribution	<u>(548,499)</u>	<u>(571,318)</u>	<u>(475,785)</u>	<u>(459,900)</u>	<u>(455,572)</u>	<u>(420,985)</u>	<u>(393,805)</u>	<u>(374,314)</u>	<u>(328,881)</u>	<u>(313,647)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,691,358	\$ 2,803,348	\$ 2,334,567	\$ 2,313,379	\$ 2,291,608	\$ 2,172,260	\$ 2,058,570	\$ 1,980,948	\$ 1,788,649	\$ 1,767,531
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.90%	18.39%	17.74%

See Notes to the Required Supplementary Information.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.0216%	0.0246%	0.0228%	0.0237%	0.0241%	0.0237%	0.0240%	0.0228%	0.0226%
District's proportionate share of the net OPEB liability (asset)	\$ 103,470	\$ 175,537	\$ 186,530	\$ 204,067	\$ 229,050	\$ 266,403	\$ 326,658	\$ 295,844	\$ 293,305
District's covered payroll	\$ 2,611,675	\$ 2,717,806	\$ 2,318,297	\$ 2,265,201	\$ 2,229,089	\$ 2,131,131	\$ 2,030,639	\$ 1,848,104	\$ 1,785,504
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	4%	6%	8%	9%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	20.07%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

\*\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 27,452	\$ 28,594	\$ 23,813	\$ 23,596	\$ 23,374	\$ 22,157	\$ 20,997	\$ 20,206	\$ 18,244	\$ 18,029
Contributions in relation to the contractually required contribution	<u>(27,452)</u>	<u>(28,594)</u>	<u>(23,813)</u>	<u>(23,596)</u>	<u>(23,374)</u>	<u>(22,157)</u>	<u>(20,997)</u>	<u>(20,206)</u>	<u>(18,244)</u>	<u>(18,029)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,691,358	\$ 2,803,348	\$ 2,334,567	\$ 2,313,379	\$ 2,291,608	\$ 2,172,260	\$ 2,058,570	\$ 1,980,948	\$ 1,788,649	\$ 1,767,531
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See Notes to the Required Supplementary Information.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

**NOTE 1 PENSION PLAN - COLORADO PERA SCHDTF**

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

*2024*

- There were no changes made to the plan provisions.

*2023*

- 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.

*2022*

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000 direct distribution, a warrant to PERA in the amount of \$380,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000 to \$35,000. The July 1, 2024, direct distribution will not be reduced from \$225,000 due to a negative investment return in 2022.

*2021*

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

*2020*

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

*2019*

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
  - Member contribution rates increase by 0.50%.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

- Employer contribution rates increase by 0.50%.
- AI cap is lowered from 1.50% per year to 1.25% per year.

*2018*

- The following changes were made to the plan provisions as part of SB 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
  - Employer contribution rates increase by 0.25% effective July 1, 2019
  - An annual direct distribution of \$225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
  - AI cap is lowered from 2.00% per year to 1.50% per year.
  - Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.
  - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years.

*2017* – no changes

*2016* – no changes

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

*2024*

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The 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%.

*2023* – no changes

*2022*– no changes

*2021*

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

*2020*

- The price inflation assumption was lowered from 2.40% to 2.30%.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

*2019*

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

*2018*

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

*2017*

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

*2016*

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.

- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

#### **Subsequent Events**

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

#### **NOTE 2 OTHER POST-EMPLOYMENT BENEFIT PLAN - COLORADO PERA HCTF**

##### **Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

*2024*

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

*2023*

- 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 \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033 and \$24,967, respectively.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

2022

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

2021 – no changes

2020 – no changes

2019 – no changes

2018 – no changes

2017

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

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The 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.

2023 – no changes

2022

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

2021 – no changes

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2025**

*2020*

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

*2019* – no changes

*2018* – no changes

*2017* – no changes

## **SIERRA GRANDE SCHOOL DISTRICT R-30**

### **SUPPLEMENTARY INFORMATION**

The combining financial statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**SIERRA GRANDE SCHOOL DISTRICT R-30  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Food Service Fund** – This fund is used to account for the operations of the school breakfast and lunch programs. Revenues are derived from District contributions and student and adult charges.

**Student Activity Fund** – This fund is used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenue from pupils, gate receipts, and other fundraising activities.

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2025**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>FOOD SERVICE FUND</b>	<b>STUDENT ACTIVITY FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 203,605	\$ 203,605
Accounts Receivable	-	-	-
Due From Other Governments	27,577	-	27,577
Inventory	3,075	-	3,075
<b>TOTAL ASSETS</b>	<b>\$ 30,652</b>	<b>\$ 203,605</b>	<b>\$ 234,257</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,811	\$ -	\$ 1,811
Accrued Salaries and Benefits	14,621	-	14,621
Due to Other Funds	21,196	-	21,196
<b>TOTAL LIABILITIES</b>	<b>37,628</b>	<b>-</b>	<b>37,628</b>
<b>FUND BALANCE</b>			
Nonspendable	3,075	-	3,075
Committed	-	203,605	203,605
Unassigned	(10,051)	-	(10,051)
<b>TOTAL FUND BALANCE</b>	<b>(6,976)</b>	<b>203,605</b>	<b>196,629</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 30,652</b>	<b>\$ 203,605</b>	<b>\$ 234,257</b>

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2025**

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL</u>
	<u>FOOD SERVICE FUND</u>	<u>STUDENT ACTIVITY FUND</u>	
<b>REVENUES</b>			
Local Sources	\$ 50,880	\$ 111,864	\$ 162,744
State Sources	1,275	-	1,275
Federal Sources	164,602	-	164,602
<b>TOTAL REVENUES</b>	<u>216,757</u>	<u>111,864</u>	<u>328,621</u>
<b>EXPENDITURES</b>			
Instructional Program	-	106,104	106,104
Instructional Staff Support Services	-	-	-
School Administration Support Services	-	-	-
Business Support Services	-	-	-
Operations and Maint. of Plant Services	-	-	-
Food Services	365,987	-	365,987
<b>TOTAL EXPENDITURES</b>	<u>365,987</u>	<u>106,104</u>	<u>472,091</u>
Excess (deficiency) of revenues over expenditures	<u>(149,230)</u>	<u>5,760</u>	<u>(143,470)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers From Other Funds	100,000	55,000	155,000
Transfers to Other Funds	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>55,000</u>	<u>155,000</u>
Net Change in Fund Balance	(49,230)	60,760	11,530
<b>Fund Balance, Beginning of Year,</b>	<u>42,254</u>	<u>142,845</u>	<u>185,099</u>
<b>Fund Balance, End of Year</b>	<u>\$ (6,976)</u>	<u>\$ 203,605</u>	<u>\$ 196,629</u>

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 30,000	\$ 30,000	\$ 50,880	\$ 20,880
State Sources	5,650	5,650	1,275	(4,375)
Federal Sources	286,191	271,069	164,602	(106,467)
<b>TOTAL REVENUES</b>	<b>321,841</b>	<b>306,719</b>	<b>216,757</b>	<b>(89,962)</b>
<b>EXPENDITURES</b>				
Food Services				
Salaries	127,280	131,220	132,567	(1,347)
Fringe Benefits	48,825	53,125	51,586	1,539
Purchased Services	12,636	15,396	75	15,321
Food, Commodities, and Supplies	198,100	227,100	181,759	45,341
Travel, Registration and Entrance	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>386,841</b>	<b>426,841</b>	<b>365,987</b>	<b>60,854</b>
Excess (deficiency) of revenues over expenditures	(65,000)	(120,122)	(149,230)	(29,108)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	65,000	70,000	100,000	30,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>65,000</b>	<b>70,000</b>	<b>100,000</b>	<b>30,000</b>
Net change in fund balance	-	(50,122)	(49,230)	892
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>50,122</b>	<b>42,254</b>	<b>(7,868)</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,976)</b>	<b>\$ (6,976)</b>

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**STUDENT ACTIVITY FUND**  
**For the Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources				
Student Athletics and Activities	\$ -	\$ 25,000	\$ 100,828	\$ 75,828
Interest on Investments	-	-	-	-
Other Revenue from Local Sources	-	-	11,036	11,036
	<u>-</u>	<u>25,000</u>	<u>111,864</u>	<u>75,828</u>
<b>TOTAL REVENUES</b>	<u>-</u>	<u>25,000</u>	<u>111,864</u>	<u>75,828</u>
<b>EXPENDITURES</b>				
Instructional Program	135,475	170,475	106,104	64,371
	<u>135,475</u>	<u>170,475</u>	<u>106,104</u>	<u>64,371</u>
<b>TOTAL EXPENDITURES</b>	<u>135,475</u>	<u>170,475</u>	<u>106,104</u>	<u>64,371</u>
Excess (deficiency) of revenues over expenditures	<u>(135,475)</u>	<u>(145,475)</u>	<u>5,760</u>	<u>151,235</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	20,000	30,000	55,000	25,000
	<u>20,000</u>	<u>30,000</u>	<u>55,000</u>	<u>25,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>20,000</u>	<u>30,000</u>	<u>55,000</u>	<u>25,000</u>
Net change in fund balance	(115,475)	(115,475)	60,760	176,235
<b>Fund Balance, Beginning of Year</b>	<u>115,475</u>	<u>115,475</u>	<u>142,845</u>	<u>27,370</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,605</u>	<u>\$ 203,605</u>

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BOND REDEMPTION FUND**  
**For the Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources				
Property Tax Revenue	\$ 1,015,011	\$ 1,011,800	\$ 1,107,544	\$ 95,744
Interest Income	10,000	10,000	2,512	(7,488)
<b>TOTAL REVENUES</b>	<u>1,025,011</u>	<u>1,021,800</u>	<u>1,110,056</u>	<u>95,744</u>
<b>EXPENDITURES</b>				
Debt Service	<u>1,025,011</u>	<u>1,021,800</u>	<u>1,009,674</u>	<u>12,126</u>
<b>TOTAL EXPENDITURES</b>	<u>1,025,011</u>	<u>1,021,800</u>	<u>1,009,674</u>	<u>12,126</u>
Excess (deficiency) of revenues over expenditures	-	-	100,382	107,870
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	100,382	107,870
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>1,542,684</u>	<u>1,542,684</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,643,066</u>	<u>\$ 1,650,554</u>

**SIERRA GRANDE SCHOOL DISTRICT R-30**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BUILDING FUND**  
**For the Year Ended June 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 3,000,000	\$ 3,000,000	\$ 143,272	\$ (2,856,728)
State Sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>143,272</u>	<u>(2,856,728)</u>
<b>EXPENDITURES</b>				
Facilities Acquisition and Construction Services	3,000,000	3,000,000	191,574	2,808,426
<b>TOTAL EXPENDITURES</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>191,574</u>	<u>2,808,426</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(48,302)</u>	<u>(48,302)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(48,302)	(48,302)
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>2,709,096</u>	<u>2,709,096</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,660,794</u>	<u>\$ 2,660,794</u>

**SIERRA GRANDE SCHOOL DISTRICT R-30**

**CDE COMPLIANCE SECTION**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0740 - Sierra Grande R-30  
 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	4,911,147	5,000,230	4,530,300	5,381,076
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	253,617	217,020	228,512	242,125
<b>Sub- Total</b>	<b>5,164,764</b>	<b>5,217,250</b>	<b>4,758,812</b>	<b>5,623,201</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	42,254	316,756	365,986	-6,975
22 Govt Designated-Purpose Grants Fund	0	503,108	503,107	0
23 Pupil Activity Special Revenue Fund	142,845	166,864	106,105	203,605
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,542,684	1,110,057	1,009,675	1,643,066
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	2,709,096	143,272	191,574	2,660,794
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
<b>Totals</b>	<b>9,601,644</b>	<b>7,457,307</b>	<b>6,935,259</b>	<b>10,123,692</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL