

**SOUTH CONEJOS SCHOOL DISTRICT RE-10
ANTONITO, COLORADO**

FINANCIAL STATEMENTS

June 30, 2025



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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
South Conejos School District RE-10
Antonito, 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 South Conejos School District RE-10 (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 thereof 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

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 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 nonmajor fund financial schedules and the Colorado School District's Auditors' 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 nonmajor fund financial schedules and the Colorado School District's Auditors' 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

November 13, 2025

The management of South Conejos School District RE-10 presents this narrative overview to readers of the district's basic financial statements, along with an analysis of the district's financial activities for the fiscal year ended June 30, 2025.

Financial Highlights

According to the statement of net position, assets and deferred outflows exceeded the district's liabilities and deferred inflows, resulting in a net position of \$20.3 million. Total assets increased by \$1.9 million, deferred outflows of resources decreased by \$.75 million, total liabilities decreased by \$1.2 million, and deferred inflows of resources increased by \$.31 million.

On the statement of activities, general revenues totaling \$ 4.66 million accounted for 63 percent of all revenues of the primary government. Program revenues provided \$1.2 million, or 16 percent of all revenues, directly supporting the functions and programs of the primary government. The district received settlement proceeds in 2025 of 1.5 million. See Note 17 to the financial statements.

Outstanding liability for general obligation bonds payable decreased by \$0.27 million due to scheduled principal payments.

Governmental funds reported combined ending fund balances of \$10.8 million, an increase of \$1.65 million from the prior year. Restricted fund balance for statutory requirements totaled \$1.3 million; fund balance amounts committed by district management for various operations totaled \$.21 million. Assigned fund balance for budgeted appropriations in excess of revenues for fiscal year 2026 totaled \$1.9 million. Unassigned fund balance of \$7.4 million in the General Fund is available for district use.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the district's basic financial statements. The annual report consists of a series of financial statements and notes to those statements organized so the reader can understand the district as a whole. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the district's finances using accounting methods similar to those used by a private-sector business. These statements report the financial status of the district's governmental activities, representing the district's programs and services, including instruction, support services, food service operations, operation and maintenance of facilities, pupil transportation, and administration. Taxes and State equalization funding principally support these activities. The government-wide financial statements follow this Management's Discussion and Analysis section of the report.

The *statement of net position* presents information on all of the district's assets, deferred outflows of resources and liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the district's net position changed during the fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Fund Financial Statements. The fund financial statements focus on the district's major funds and provide more detailed information about the district. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. The district's funds are governmental funds.

Governmental Funds. The district's activities are reported in governmental funds, which focus on how money flows into and out of those funds. Governmental funds are used to account for activities primarily supported by taxes, grants, and similar revenue sources. The balances left at year-end are available for spending in future periods. The governmental fund statements provide a detailed, short-term view of the financial resources that can be spent in the near future on the district's programs.

The focus of governmental funds is narrower than that of the government-wide financial statements. It is useful to compare the information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

Because there are differences between *governmental activities* (shown in the statement of net position and the statement of activities previously discussed) and *governmental funds*, two reconciliations are provided in the financial statements. The major differences between the financial reporting on governmental activities and governmental funds are directly related to the district's long-term liabilities and capital assets. For example, repayment of general obligation bonds is shown as an expenditure that reduces fund balance in the Bond Redemption Fund but as a reduction of long-term debt on the statement of activities. Acquisition of capital assets is shown as expenditures that reduce fund balance in governmental funds but as a noncurrent asset on the statement of net position. More details can be found on the reconciliations contained within the financial statements.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information and Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also includes *required supplementary information* containing the district's budgetary schedules for the district's General Fund, Governmental Designated Purpose Fund and the pension information required by GASB 68 and the OPEB information required by GASB 75. Other supplementary information, including financial statements and budgetary comparisons for the district's other governmental funds and the Auditor's Integrity Report follows the required supplementary information.

Government-wide Financial Analysis

Governmental Activities. As of June 30, 2025, assets and deferred outflows exceeded liabilities and deferred inflows. As required by accounting standards, GASB 68 and GASB 75, the district has recorded a noncurrent liability of \$6.50 million for its net pension and OPEB liability. The district has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits or annual required contribution decisions made by Colorado Public Employees' Retirement Association (PERA). As part of the GASB 68 and GASB 75 accounting, the districts deferred outflows decreased by \$.75 million. During 2025, the total net position increased \$2.1 million from \$18.24 million to \$20.34 million. A significant portion of the district's assets are investments in capital assets, such as land, buildings and equipment. The value of capital assets, net of depreciation, increased by \$0.35 million, from \$17.00 million to \$17.35 million.

Restricted net position of the district includes two categories: 1) an emergency fund mandated by Article X, Section 20, of the Colorado constitution (i.e., TABOR) and 2) funds generated from property taxes accounted for in the Bond Redemption Fund that are restricted for the payment of long-term debt. In accordance with the emergency fund mandate, the district reserved 3.0 percent of applicable expenditures and the bond redemption funds, totaling \$1.17 million. Net investment in capital assets increased by \$0.62 million.

Net position for government activities increased by \$ 2.09 million. Expenses for governmental activities went down from 5.8 million to 5.3 million. Pension expenses are allocated proportionally between instruction and support services in the same proportion as the actual employee benefit expenses.

Net Position. The table below summarizes the district’s net position for June 30, 2025. Comparative data for June 30, 2024, is also presented.

The following condensed financial information is derived from the government-wide statement of net position.

Comparative Summary of Net Position

	Primary Government		Increase (Decrease)	% Change from 2024
	Governmental Activities			
	30-Jun-25	30-Jun-24		
Current assets	11,357,041	9,749,907	1,607,134	16.48%
Capital assets, net	17,346,660	17,000,861	345,799	2.03%
Total assets	28,703,701	26,750,768	1,952,933	7.30%
Deferred outflows of resources	1,318,003	2,068,522	(750,519)	(36.28)%
Current liabilities	815,883	806,232	9,651	1.20%
Noncurrent liabilities outstanding	8,332,553	9,540,905	(1,208,352)	(12.66)%
Total liabilities	9,148,436	10,347,137	(1,198,701)	(11.58)%
Deferred inflows of resources	533,201	225,774	307,427	136.17%
Net investment in capital assets	14,328,316	13,710,868	617,448	4.50%
Restricted	1,320,142	1,399,403	(79,261)	(5.66)%
Unrestricted (deficit)	4,691,609	3,136,108	1,555,501	49.60%
Total net position	\$20,340,067	\$18,246,379	2,093,688	11.47%

The deferred outflows decreased by \$.75 million due to the assumptions change used for PERA’s actuarial valuation. See the Notes to the Financial Statements for additional information on GASB 68 and GASB 75. The remaining \$1.56 million change in unrestricted net position is due to the district’s settlement proceeds received by the District in 2025.

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

	Fiscal Year 2025	Fiscal Year 2024
Net Position (GAAP Basis)	\$ 20,340,067	\$ 18,246,379
GASB 68- Pension	4,676,618	4,486,761
GASB 75- OPEB	124,106	156,978
Net Position Excluding Pension and OPEB	<u>\$ 25,140,791</u>	<u>\$ 22,890,118</u>

SOUTH CONEJOS SCHOOL DISTRICT RE-10
Management's Discussion and Analysis (Unaudited)
June 30, 2025

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

	Fiscal Year 2025	Fiscal Year 2024
Unrestricted Net Position (GAAP Basis)	4,691,609	3,136,108
GASB 68- Pension	4,676,618	4,486,760
GASB 75- OPEB	124,106	156,978
Net Position Excluding Pension and OPEB	<u>\$ 9,492,333</u>	<u>\$ 7,779,846</u>

The following condensed financial information is derived from the government-wide statement of activities and reflects how the district's net position changed from June 30, 2024, to June 30, 2025.

Comparative Summary of Activities and Changes in Net Position

	Primary Government			
	Governmental Activities			
	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change from 2024
REVENUES				
Program revenues:				
Charges for services	\$85,609	\$52,545	\$33,064	62.92%
Operating grants & contributions	1,068,234	1,748,246	(680,012.00)	(38.90)%
General revenues:				
Property taxes	1,397,654	1,376,364	\$21,290	1.55%
State share	2,831,309	2,305,904	\$525,405	22.79%
Other	431,397	421,089	\$10,308	2.45%
Total revenues	5,814,203	5,904,148	(89,945)	1.47%
EXPENSES				
Instruction	2,838,293	3,073,430	(235,137)	(7.65)%
Supporting services	2,020,442	2,106,477	(86,035)	4.08%
Other support services	18,413	27,664	(9,251)	(33.44)%
Food service operations	230,447	246,966	(16,519)	(6.69)%
Interest on long-term debt	132,841	143,988	(11,147)	(7.74)%
Facilities Acquisition & Construction	30,079	190,732	(160,653)	(84.23)%
Total expenses	5,270,515	5,789,257	(518,742)	(8.96)%
Special Item Settlement Revenue	1,550,000	0	1,550,000	(100.00)%
Change in net position	2,093,688	114,891	1,978,797	1,722.33%
Net position - beginning of year	18,246,379	18,131,488	114,891	.63%
Net position - end of year	\$20,340,067	\$18,246,379	\$2,093,688	11.47%

Analysis of the District's Governmental Funds

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

Governmental Funds. The focus of the district's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Unassigned fund balance may serve as a useful measure of the net resources available for spending. The governmental funds use the modified accrual basis of accounting. The fund financial statements provide information about the district's most significant funds and summarize less significant funds into one column.

The Colorado constitution requires an emergency reserve of 3.0 percent of expenditures, with certain federal and local expenditures excluded from this requirement. On the district's Balance Sheet for Governmental Funds, the required amount of \$150,000 is shown as a fund balance restricted for the TABOR emergency reserve.

General Fund. The General Fund's unassigned fund balance is \$7.4 million, which measures the district's net resources available for spending at the end of the fiscal year. This is a decrease of \$.20 million from the prior year. Fund balances increased in the general fund. The increase in the general fund was due to an underspending of expenditures.

The district's board of education has not set a policy requiring a minimum total fund balance in the General Fund. Management believes the 82.2% general fund operating reserve ratio is a prudent amount, given the unpredictability of revenue related to pupil count and the variability of expenditures related to insurance and special education. The district's operating reserve was 152.5% in 2025. This year marks the ninth year the district has spent less than its current revenues. This fiscal discipline allowed the district to increase its fiscal health by meeting the financial indicator benchmarks set by the state.

Revenues. Governmental funds revenue increased by \$1,377,675, primarily due to settlement proceeds. Operating grants and contributions increased with additional grant funding provided to the district in 2024.

Expenditures. The debt service expenditures totaled \$ 0.40 million.

General Fund Budgetary Highlights

Actual revenues were under budget by .32 million. The positive variance in expenditures related to an underspending in Student Supporting Services expenditures of \$83,986 and an underspending of \$2,478,264 in Facilities Acquisition and Construction Services.

Capital Assets and Debt Administration

Capital assets

Net of depreciation, the district’s capital assets as of June 30, 2025, totaled \$17,346,660, which is invested in land, buildings, equipment, and vehicles. The current fiscal year depreciation totaled \$507,331. Other than depreciation, changes in 2025 are related to equipment and Vehicle activities.

	Capital Assets		Increase (Decrease)	% Change From 2024
	(Net of Depreciation)			
	Primary Government			
	Governmental Activities			
	June 30, 2025	June 30, 2024		
Land	\$95,125	\$95,125	\$0	(0.00)%
Buildings and improvements	16,730,971	16,468,656	\$262,315	1.59%
Equipment and vehicles	520,565	437,081	\$83,484	19.10%
Subtotal	17,346,660	17,000,861	\$345,799	2.03%
Total	17,346,660	\$17,000,861	\$345,799	2.03%

For more information on the district’s capital assets, refer to Note 7 Capital Assets in the Notes to the Financial Statements.

Long-Term Debt

The remaining long-term debt principal is \$3.02 million, with \$0.27 million due in one year. For more information on the district’s long-term debt, refer to Note 9, Long-Term Liabilities in the Notes to the Financial Statements.

	Outstanding Debt		Increase (Decrease)	% Change From 2024
	June 30, 2025			
	Primary Government			
	Governmental Activities			
	June 30, 2025	June 30, 2024		
General obligation bonds	\$ 3,018,344	\$ 3,289,993	\$ (271,649)	(8.26)%

Requests for Information

This financial report is designed to provide a general overview of the district’s finances and demonstrate its accountability for the money it receives. If you have questions about this report or need additional information, please get in touch with the Superintendent, South Conejos School District RE-10, 31099 County Road G, Antonito, Colorado 81120, or visit our website at southconejos.com.

SOUTH CONEJOS SCHOOL DISTRICT RE-10

BASIC FINANCIAL STATEMENTS

SOUTH CONEJOS SCHOOL DISTRICT RE-10
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government
	Governmental
	Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 11,150,287
Property Tax Receivable	86,386
Due from Other Governments	118,527
Inventories	1,841
Total Current Assets	11,357,041
Capital Assets	
Land	95,124
Land Improvements	350,349
Buildings and Improvements	20,654,551
Equipment	151,666
Vehicles	923,107
Less: Accumulated Depreciation	(4,828,137)
Total Capital Assets	17,346,660
TOTAL ASSETS	28,703,701
DEFERRED OUTFLOWS OF RESOURCES	
Pension	1,283,667
OPEB	34,336
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,318,003
LIABILITIES	
Current Liabilities	
Accounts Payable	56,087
Accrued Salaries and Benefits	148,528
Unearned Grant Revenue	293,121
General Obligation Bonds	283,025
Compensated Absences	35,122
Total Current Liabilities	815,883
Noncurrent Liabilities	
General Obligation Bonds	2,735,319
Compensated Absences	11,708
Net Pension Liability	5,488,150
Net OPEB Liability	97,376
Total Noncurrent Liabilities	8,332,553
TOTAL LIABILITIES	9,148,436
DEFERRED INFLOWS OF RESOURCES	
Pension	472,135
OPEB	61,066
TOTAL DEFERRED INFLOWS OF RESOURCES	533,201
NET POSITION	
Net Investment in Capital Assets	14,328,316
Restricted	1,320,142
Unrestricted	4,691,609
TOTAL NET POSITION	\$ 20,340,067

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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:					
Governmental Activities:					
Instructional Program	\$ 2,838,293	\$ -	\$ 732,887	\$ -	\$ (2,105,406)
Student Support Services	346,067	66,257	143,112	-	(136,698)
Instructional Staff Support Services	46,199	-	-	-	(46,199)
General Administration Support Services	472,512	-	-	-	(472,512)
School Administration Support Services	209,261	-	-	-	(209,261)
Business Support Services	86,922	-	-	-	(86,922)
Operations and Maint. of Plant Services	421,339	-	-	-	(421,339)
Student Transportation Services	187,786	-	26,641	-	(161,145)
Central Support Services	250,356	-	-	-	(250,356)
Other Support Services	18,413	-	-	-	(18,413)
Food Services	230,447	19,352	165,594	-	(45,501)
Facilities Acquisition and Construction Services	30,079	-	-	-	(30,079)
Interest on Long-term Debt	132,841	-	-	-	(132,841)
Total Governmental Activities	5,270,515	85,609	1,068,234	-	(4,116,672)
Total Primary Government	\$ 5,270,515	\$ 85,609	\$ 1,068,234	\$ -	(4,116,672)
General Revenues					
Taxes:					
					1,181,288
					216,366
					-
					2,831,309
					431,397
					<u>4,660,360</u>
Special Item (Note 17)					
					<u>1,550,000</u>
					2,093,688
					<u>18,246,379</u>
					<u>\$ 20,340,067</u>

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2025

	GENERAL FUND	GOVERNMENTAL DESIGNATED PURPOSE FUND	BOND REDEMPTION FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Investments	\$ 9,786,775	\$ -	\$ 1,151,824	\$ 211,688	\$ 11,150,287
Due from Other Funds	60,939	-	-	8,134	69,073
Property Tax Receivable	56,733	-	29,653	-	86,386
Due from Other Governments	36,268	67,856	-	14,403	118,527
Inventories	-	-	-	1,841	1,841
TOTAL ASSETS	\$ 9,940,715	\$ 67,856	\$ 1,181,477	\$ 236,066	\$ 11,426,114
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 56,087	\$ -	\$ -	\$ -	\$ 56,087
Due to Other Funds	-	60,939	-	8,134	69,073
Accrued Salaries and Benefits	132,170	6,917	-	9,441	148,528
Unearned Grant Revenue	293,121	-	-	-	293,121
TOTAL LIABILITIES	481,378	67,856	-	17,575	566,809
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	21,672	-	11,335	-	33,007
FUND BALANCE					
Nonspendable	-	-	-	1,841	1,841
Restricted	150,000	-	1,170,142	-	1,320,142
Committed	-	-	-	216,650	216,650
Assigned	1,880,502	-	-	-	1,880,502
Unassigned	7,407,163	-	-	-	7,407,163
TOTAL FUND BALANCE	9,437,665	-	1,170,142	218,491	10,826,298
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 9,940,715	\$ 67,856	\$ 1,181,477	\$ 236,066	\$ 11,426,114

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total governmental fund balances		\$ 10,826,298
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		17,346,660
Certain deferred inflows related to unavailable fund resources do not provide current financial resources and the revenues are not recognized on the fund financial statements but are recognized on the government-wide financial statements.		33,007
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		1,318,003
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.		
General Obligation Bonds	\$ (3,018,344)	
Compensated Absences	<u>(46,830)</u>	
		(3,065,174)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(5,585,526)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		<u>(533,201)</u>
Net position of governmental activities		<u><u>\$ 20,340,067</u></u>

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
For the Year Ended June 30, 2025

	GENERAL FUND	GOVERNMENTAL DESIGNATED PURPOSE FUND	BOND REDEMPTION FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	\$ 1,408,479	\$ -	\$ 446,272	\$ 85,889	\$ 1,940,640
Intermediate Sources	-	-	-	-	-
State Sources	3,421,588	-	-	4,761	3,426,349
Federal Sources	108,077	178,254	-	160,883	447,214
TOTAL REVENUES	4,938,144	178,254	446,272	251,533	5,814,203
EXPENDITURES					
Instructional Program	2,106,847	156,644	-	52,378	2,315,869
Student Supporting Services	313,542	6,377	-	-	319,919
Instructional Staff Supporting Services	37,187	7,851	-	-	45,038
General Administration Supporting Services	444,961	7,382	-	-	452,343
School Administration Supporting Services	199,477	-	-	-	199,477
Business Supporting Services	86,536	-	-	-	86,536
Operations and Maintenance of Plant Services	444,595	-	-	-	444,595
Student Transportation Services	237,429	-	-	-	237,429
Central Supporting Services	246,515	-	-	-	246,515
Other Supporting Services	18,413	-	-	-	18,413
Food Services	-	-	-	225,046	225,046
Facilities Acquisition and Construction Services	721,736	-	-	-	721,736
Debt Service	-	-	404,490	-	404,490
TOTAL EXPENDITURES	4,857,238	178,254	404,490	277,424	5,717,406
Excess (deficiency) of revenues over expenditures	80,906	-	41,782	(25,891)	96,797
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	-	50,000	50,000
Transfers to Other Funds	(50,000)	-	-	-	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	-	-	50,000	-
SPECIAL ITEM (NOTE 17)					
Settlement Revenue	1,550,000	-	-	-	1,550,000
Net Change in Fund Balance	1,580,906	-	41,782	24,109	1,646,797
Fund Balance, Beginning of Year	7,856,759	-	1,128,360	194,382	9,179,501
Fund Balance, End of Year	\$ 9,437,665	\$ -	\$ 1,170,142	\$ 218,491	\$ 10,826,298

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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 \$ 1,646,797

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 capital asset activity.

Capital asset additions	\$ 853,130	
Depreciation expense	<u>(507,331)</u>	345,799

Unearned revenue does not provide current financial resources on the governmental fund financial statements, but this change in unearned revenue from year to year is recognized on the government-wide financial statements. (2,816)

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.

Principal payment on general obligation bonds		271,649
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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		(10,755)
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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 expense. (156,986)

Change in net position of governmental activities \$ 2,093,688

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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

South Conejos School District RE-10 was organized under the School District Act of 1965. 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 submits 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 South Conejos School District RE-10 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. 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 with a specific function. Program revenues include:

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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. The emphasis of fund financial statements is on major governmental 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. 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 **Bond Redemption Fund** is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on the long-term general obligation debt.
- The **Governmental Designated Purpose Fund** is used to record financial transactions for grants received for designated programs funded by federal, state, or local governments.

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.

ASSETS, DEFERRED OUTFLOWS 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Cash with Fiscal Agent

Conejos County collects property taxes for the District and holds the funds in trust until sent to the District, generally on a monthly basis. The amount held by the County Treasurer is included as a receivable on the balance sheet and statement of net position.

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 and improvements, 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:

Assets	Years
Land Improvements	10-20
Buildings and Improvements	5-35
Equipment	5-25
Vehicles	5-12

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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.

Compensated Absences

Employees of the District may accumulate leave time up to 30 days. Upon retirement from the District, an employee will receive the certified substitute teacher's rate per day for each leave day accumulated. Employees leaving the District for any other reason will receive one-fourth the daily substitute rate for each leave 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 that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pension and other postemployment benefits must be deferred.

Pension

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 Postemployment 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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 removed 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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

	GOVERNMENTAL			TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	DESIGNATED PURPOSE FUND	BOND REDEMPTION FUND		
FUND BALANCE					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 1,841	\$ 1,841
Prepaid Expenditures	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,841</u>	<u>1,841</u>
Restricted:					
TABOR	150,000	-	-	-	150,000
Debt Service	-	-	1,170,142	-	1,170,142
	<u>150,000</u>	<u>-</u>	<u>1,170,142</u>	<u>-</u>	<u>1,320,142</u>
Committed:					
Pupil Activities	-	-	-	128,076	128,076
Food Service	-	-	-	88,574	88,574
Governmental Designated Purpose	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,650</u>	<u>216,650</u>
Assigned:					
Designated for Subsequent Years	1,880,502	-	-	-	1,880,502
Unassigned	7,407,163	-	-	-	7,407,163
TOTAL FUND BALANCE	<u>\$ 9,437,665</u>	<u>\$ -</u>	<u>\$ 1,170,142</u>	<u>\$ 218,491</u>	<u>\$ 10,826,298</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and 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.

Reclassifications

Certain amounts from 2024 have been reclassified to conform to the 2025 financial statement presentation.

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain previously required disclosures. There is no effect on beginning net position as a result of the implementation of this standard.

Change in Reporting Entity

The Governmental Designated Purpose Fund was moved from nonmajor to major for fiscal year 2025. There is no effect to beginning fund balance.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

South Conejos School District RE-10 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 did adopt 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 in the Governmental Designated Purpose Fund exceeded appropriations by \$4,308 during fiscal year 2025. This may be a violation of Colorado Revised State Statutes 22-44-115(1).

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

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

Cash in Banks	\$ 463,368
Cash with County Treasurer	45,861
Investments	
ColoTrust	9,494,206
Money Market- Zion's Bank	1,146,852
	\$ 11,150,287
Total cash, deposits, and investments on the Statement of Net Position	\$ 11,150,287

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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% of the aggregate uninsured deposits.

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, \$164,734 of the District's bank balance of \$605,603 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. They include:

- 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

COLOTRUST is 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. 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. The total COLOTRUST investment was valued at \$9,494,206 at June 30, 2025.

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).

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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 \$86,386.

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 \$118,527 due from Federal, State, and Local governments, reflected as Due from Other Governments 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
Food Service Fund	Pupil Activity Fund	\$ 8,134
General Fund	Governmental Designated Purpose Fund	60,939
Total		\$ 69,073

Interfund Transfers

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

Transfer In	Transfer Out	Amount
Food Service Fund	General Fund	\$ 50,000
Total		\$ 50,000

This transfer was made from the General Fund to supplement the Food Service Fund.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 CAPITAL ASSETS

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

GOVERNMENTAL ACTIVITIES	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital assets not being depreciated				
Land	\$ 95,124	\$ -	\$ -	\$ 95,124
Total capital assets not being depreciated	<u>95,124</u>	<u>-</u>	<u>-</u>	<u>95,124</u>
Capital assets being depreciated				
Land Improvements	350,349	-	-	350,349
Buildings and Improvements	19,962,895	691,656	-	20,654,551
Equipment	107,666	44,000	-	151,666
Vehicles	805,633	117,474	-	923,107
Total capital assets being depreciated	<u>21,226,543</u>	<u>853,130</u>	<u>-</u>	<u>22,079,673</u>
Less: Accumulated Depreciation for				
Land Improvements	105,637	14,340	-	119,977
Buildings and Improvements	3,738,951	415,001	-	4,153,952
Equipment	39,945	13,495	-	53,440
Vehicles	436,273	64,495	-	500,768
Total accumulated depreciation	<u>4,320,806</u>	<u>507,331</u>	<u>-</u>	<u>4,828,137</u>
Total Capital Assets being depreciated, net	<u>16,905,737</u>	<u>345,799</u>	<u>-</u>	<u>17,251,536</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u><u>\$ 17,000,861</u></u>	<u><u>\$ 345,799</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,346,660</u></u>

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

Governmental activities:	
Instructional Program	\$ 411,897
Student Support Services	17,603
Operation and Maintenance of Plant Services	12,670
Student Transportation Services	63,748
Central Supporting Services	<u>1,413</u>
Total depreciation expense – governmental activities	<u><u>\$ 507,331</u></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 \$148,528.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025	Due within one year
Governmental Activities					
General Obligation Bonds	\$ 3,289,993	\$ -	\$ 271,649	\$ 3,018,344	\$ 283,025
Compensated Absences*	36,075	10,755	-	46,830	35,122
Total	<u>\$ 3,326,068</u>	<u>\$ 10,755</u>	<u>\$ 271,649</u>	<u>\$ 3,065,174</u>	<u>\$ 318,147</u>

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

General Obligation Bonds

In 2014, the District issued \$5,477,745 of general obligation bonds that were used for an escrow match to build the PK-12 school replacement. The District was awarded a Building Excellent Schools Today (BEST) financed-purchase grant requiring the escrow match. Principal is due annually on December 1, and interest at a rate of 4.18% 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 bonds are as follows:

	Principal	Interest	Total
FY 2026	\$ 283,025	\$ 120,476	\$ 403,501
FY 2027	294,878	108,376	403,254
FY 2028	307,226	95,768	402,994
FY 2029	320,093	82,633	402,726
FY 2030	333,497	68,947	402,444
FY 2031-2034	1,479,625	127,104	1,606,729
	<u>\$ 3,018,344</u>	<u>\$ 603,304</u>	<u>\$ 3,621,648</u>

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.

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

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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 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:

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	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 \$486,652, 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.

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 \$5,488,151 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:

South Conejos School District's proportionate share of the net pension liability	\$ 5,488,151
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the South Conejos School District	492,923
Total	\$ 5,981,074

At December 31, 2024, the District's proportion was 0.032%, which was a decrease of 0.004% from its proportion measured as of December 31, 2023.

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For the year ended June 30, 2025, the District recognized pension expense of \$189,858 and revenue of \$44,991 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	\$ 310,786	\$ -
Changes of assumptions or other inputs	41,145	-
Net difference between projected and actual earnings on pension plan investments	103,546	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	587,232	472,135
Contributions subsequent to the measurement date	240,958	-
Total	\$ 1,283,667	\$ 472,135

\$240,958 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ 524,230
2027	350,517
2028	(230,325)
2029	(73,849)
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 and DPS benefit structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06 ¹	Financed by the AIR

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

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

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

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

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

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%

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

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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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 7,440,660	\$ 5,488,151	\$ 3,852,651

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.

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

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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.

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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and 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.

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 \$24,356 for the year ended June 30, 2025.

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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 \$97,375 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 0.020%, which was a decrease of 0.001% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025 the District recognized OPEB expense of (\$32,872). 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	\$ -	\$ 21,479
Changes of assumptions or other inputs	1,117	31,126
Net difference between projected and actual earnings on OPEB plan investments	330	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	20,829	8,461
Contributions subsequent to the measurement date	12,060	-
Total	\$ 34,336	\$ 61,066

\$12,060 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:

Year Ended June 30,	
2026	\$ (10,824)
2027	(4,992)
2028	(8,200)
2029	(5,755)
2030	(5,373)
Thereafter	(3,646)

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

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

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

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

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	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%

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

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

The 2024 Medicare Part A premium is \$505 per month.

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

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

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

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	MAPD PPO #2	Medicare Part A
	Medicare Plans		Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

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

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

	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.

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board’s actuary.

The long-term expected return on plan assets is 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:

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

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	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 94,752</u>	<u>\$ 97,375</u>	<u>\$ 100,344</u>

¹For 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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

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

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	\$ 119,335	\$ 97,375	\$ 78,443

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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

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.

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 June 30, 2025 program members contributed \$900 for the PERAPlus 401(k) Plan.

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 the 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.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount, if any, 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

Litigation

The District is a party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to its financial statements.

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 years' 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 voters approved a ballot measure authorizing the District 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, effective January 1, 1996, 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 has been presented as restricted fund balance in the General Fund balance sheet and a restricted net position in 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 independent third parties. 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.

NOTE 17 SPECIAL ITEM

The District filed a lawsuit against the contractor, architects and others involved in constructing the K-12 grade school facility built several years ago. The District was awarded a total of \$4,750,515. The District received \$3,200,515 in fiscal year 2023 and received the final settlement in fiscal year 2025 of \$1,550,000. This amount is included as a special item in the General Fund financial statements and in the government-wide statement of activities. The settlement will be utilized to pay a construction consultant, attorney fees, and fix defects in the roof system and concrete.

SOUTH CONEJOS SCHOOL DISTRICT RE-10

REQUIRED SUPPLEMENTARY INFORMATION

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 liabilities are required to supplement the basic financial statements.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 1,621,101	\$ 1,452,761	\$ 1,408,479	\$ (44,282)
Intermediate Sources	11	11	-	(11)
State Sources	3,547,698	3,689,423	3,421,588	(267,835)
Federal Sources	57,836	112,794	108,077	(4,717)
TOTAL REVENUES	5,226,646	5,254,989	4,938,144	(316,845)
EXPENDITURES				
Instructional Program	2,372,349	2,497,689	2,106,847	390,842
Student Supporting Services	672,936	397,528	313,542	83,986
Instructional Staff Supporting Services	14,777	14,856	37,187	(22,331)
General Administration Supporting Services	248,481	366,812	444,961	(78,149)
School Administration Supporting Services	228,577	228,577	199,477	29,100
Business Supporting Services	172,200	172,200	86,536	85,664
Operations and Maintenance of Plant Services	499,280	559,281	444,595	114,686
Student Transportation Services	360,125	360,125	237,429	122,696
Central Supporting Services	277,921	277,921	246,515	31,406
Food Service	-	-	-	-
Other Supporting Services	-	-	18,413	(18,413)
Facilities Acquisition and Construction Services	3,200,000	3,200,000	721,736	2,478,264
Capital Outlay	-	-	-	-
Reserves	-	-	-	-
TOTAL EXPENDITURES	8,046,646	8,074,989	4,857,238	3,217,751
Excess (deficiency) of revenues over expenditures	(2,820,000)	(2,820,000)	80,906	2,900,906
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(180,000)	(180,000)	(50,000)	130,000
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(180,000)	(180,000)	(50,000)	130,000
SPECIAL ITEM (NOTE 17)				
Settlement Revenue	3,000,000	3,000,000	1,550,000	(1,450,000)
Net Change in Fund Balance	-	-	1,580,906	1,580,906
Fund Balance, Beginning of Year	7,453,675	7,856,759	7,856,759	-
Fund Balance, End of Year	\$ 7,453,675	\$ 7,856,759	\$ 9,437,665	\$ 1,580,906

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED PURPOSE FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Federal Sources	\$ 194,373	\$ 173,946	178,254	\$ 4,308
TOTAL REVENUES	<u>194,373</u>	<u>173,946</u>	<u>178,254</u>	<u>4,308</u>
EXPENDITURES				
Instructional Program	168,516	148,089	156,644	(8,555)
Student Support Services	10,000	10,000	6,377	3,623
Instructional Support Services	9,577	9,577	7,851	1,726
General Administration Support Services	6,280	6,280	7,382	(1,102)
TOTAL EXPENDITURES	<u>194,373</u>	<u>173,946</u>	<u>178,254</u>	<u>(4,308)</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
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>
District's proportion of the net pension liability	0.0318%	0.0358%	0.0262%	0.0281%	0.0317%	0.0278%	0.0288%	0.0348%	0.0377%	0.0392%
District's proportionate share of the net pension liability (asset)	\$ 5,488,151	\$ 6,333,519	\$ 4,768,818	\$ 3,266,021	\$ 4,794,673	\$ 4,149,067	\$ 5,095,227	\$ 11,267,136	\$ 11,234,627	\$ 5,994,764
State's proportionate share of the net pension liability (asset) associated with the District	<u>492,923</u>	<u>138,875</u>	<u>1,389,681</u>	<u>374,408</u>	<u>-</u>	<u>526,256</u>	<u>696,702</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 5,981,074</u></u>	<u><u>\$ 6,472,394</u></u>	<u><u>\$ 6,158,499</u></u>	<u><u>\$ 3,640,429</u></u>	<u><u>\$ 4,794,673</u></u>	<u><u>\$ 4,675,323</u></u>	<u><u>\$ 5,791,929</u></u>	<u><u>\$ 11,267,136</u></u>	<u><u>\$ 11,234,627</u></u>	<u><u>\$ 5,994,764</u></u>
District's covered payroll	\$ 2,384,620	\$ 2,420,822	\$ 2,076,229	\$ 1,752,780	\$ 1,696,480	\$ 1,632,144	\$ 1,517,283	\$ 1,607,291	\$ 1,693,533	\$ 1,708,157
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	230%	262%	230%	186%	283%	254%	336%	701%	663%	351%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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	\$ 486,652	\$ 491,062	\$ 461,878	\$ 365,392	\$ 347,995	\$ 322,603	\$ 297,133	\$ 290,726	\$ 308,541	\$ 301,153
Contributions in relation to the contractually required contribution	<u>(486,652)</u>	<u>(491,062)</u>	<u>(461,878)</u>	<u>(365,392)</u>	<u>(347,995)</u>	<u>(322,603)</u>	<u>(297,133)</u>	<u>(290,726)</u>	<u>(308,541)</u>	<u>(301,153)</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	\$ 2,387,887	\$ 2,409,526	\$ 2,266,322	\$ 1,837,987	\$ 1,750,476	\$ 1,669,516	\$ 1,553,233	\$ 1,543,005	\$ 1,678,342	\$ 1,697,751
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.32%	19.13%	18.84%	18.38%	17.74%

See Notes to the Required Supplementary Information

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0204%	0.0214%	0.0199%	0.0183%	0.0183%	0.0182%	0.0187%	0.0198%	0.0214%
District's proportionate share of the net OPEB liability (asset)	\$ 97,375	\$ 152,967	\$ 162,336	\$ 158,011	\$ 174,322	\$ 204,027	\$ 254,476	\$ 257,367	\$ 278,081
District's covered payroll	\$ 2,384,620	\$ 2,420,822	\$ 2,076,229	\$ 1,837,987	\$ 1,750,476	\$ 1,632,144	\$ 1,517,283	\$ 1,607,291	\$ 1,693,533
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	4%	6%	8%	9%	10%	13%	17%	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%	20.00%

*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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 24,356	\$ 24,577	\$ 23,116	\$ 18,747	\$ 17,855	\$ 17,977	\$ 15,843	\$ 15,739	\$ 17,119	\$ 17,317
Contributions in relation to the contractually required contribution	(24,356)	(24,577)	(23,116)	(18,747)	(17,855)	(17,977)	(15,843)	(15,739)	(17,119)	(17,317)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,387,887	\$ 2,409,526	\$ 2,266,322	\$ 1,837,987	\$ 1,750,476	\$ 1,669,516	\$ 1,553,233	\$ 1,543,005	\$ 1,678,342	\$ 1,697,751
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.08%	1.02%	1.02%	1.02%	1.02%

See Notes to the Required Supplementary Information

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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%.
 - Employer contribution rates increase by 0.50%.
 - AI cap is lowered from 1.50% per year to 1.25% per year.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

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%.
- 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- 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 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.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- 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.

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

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

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:

SOUTH CONEJOS SCHOOL DISTRICT RE-10
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

- 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

SOUTH CONEJOS SCHOOL DISTRICT RE-10

SUPPLEMENTARY INFORMATION

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

SOUTH CONEJOS SCHOOL DISTRICT RE-10
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 federal and state food service grants, District contributions, and student and adult charges.

Pupil Activity Fund – 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 revenues from pupils, gate receipts, and other fundraising activities.

SOUTH CONEJOS SCHOOL DISTRICT RE-10
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	SPECIAL REVENUE FUNDS		
	FOOD SERVICE FUND	PUPIL ACTIVITY FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS			
Cash and Investments	\$ 75,478	\$ 136,210	\$ 211,688
Due from Other Governments	14,403	-	14,403
Grant Receivable	-	-	-
Due from Other Funds	8,134	-	8,134
Inventory	1,841	-	1,841
TOTAL ASSETS	\$ 99,856	\$ 136,210	\$ 236,066
LIABILITIES			
Accounts Payable	-	-	-
Due to Other Funds	-	8,134	8,134
Accrued Salaries and Benefits	9,441	-	9,441
Unearned Grant Revenue	-	-	-
TOTAL LIABILITIES	9,441	8,134	17,575
FUND BALANCE			
Nonspendable	1,841	-	1,841
Committed	88,574	128,076	216,650
Unassigned	-	-	-
TOTAL FUND BALANCE	90,415	128,076	218,491
TOTAL LIABILITIES AND FUND BALANCE	\$ 99,856	\$ 136,210	\$ 236,066

**SOUTH CONEJOS SCHOOL DISTRICT RE-10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025**

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>FOOD SERVICE FUND</u>	<u>PUPIL ACTIVITY FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
REVENUES			
Local Sources	\$ 19,302	\$ 66,587	\$ 85,889
State Sources	4,761	-	4,761
Federal Sources	160,883	-	160,883
TOTAL REVENUES	<u>184,946</u>	<u>66,587</u>	<u>251,533</u>
EXPENDITURES			
Instructional Program	-	52,378	52,378
Student Supporting Services	-	-	-
Instructional Staff Supporting Services	-	-	-
General Administrative Supporting Services	-	-	-
Food Services	225,046	-	225,046
TOTAL EXPENDITURES	<u>225,046</u>	<u>52,378</u>	<u>277,424</u>
Excess (deficiency) of revenues over expenditures	<u>(40,100)</u>	<u>14,209</u>	<u>(25,891)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	9,900	14,209	24,109
Fund Balance, Beginning of Year	<u>80,515</u>	<u>113,867</u>	<u>194,382</u>
Fund Balance, End of Year	<u>\$ 90,415</u>	<u>\$ 128,076</u>	<u>\$ 218,491</u>

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 10,000	\$ 10,000	\$ 19,302	\$ 9,302
State Sources	5,127	5,127	4,761	(366)
Federal Sources	129,651	129,651	160,883	31,232
TOTAL REVENUES	<u>144,778</u>	<u>144,778</u>	<u>184,946</u>	<u>(40,168)</u>
EXPENDITURES				
Food Service	<u>324,778</u>	<u>324,778</u>	<u>225,046</u>	<u>99,732</u>
TOTAL EXPENDITURES	<u>324,778</u>	<u>324,778</u>	<u>225,046</u>	<u>99,732</u>
Excess (deficiency) of revenues over expenditures	<u>(180,000)</u>	<u>(180,000)</u>	<u>(40,100)</u>	<u>(139,900)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>180,000</u>	<u>180,000</u>	<u>50,000</u>	<u>130,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>180,000</u>	<u>180,000</u>	<u>50,000</u>	<u>130,000</u>
Net Change in Fund Balance	-	-	9,900	9,900
Fund Balance, Beginning of Year	<u>-</u>	<u>80,515</u>	<u>80,515</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 80,515</u>	<u>\$ 90,415</u>	<u>\$ 9,900</u>

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUPIL ACTIVITY 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>
REVENUES				
Local Sources	\$ 60,000	\$ 60,000	\$ 66,587	\$ 6,587
TOTAL REVENUES	<u>60,000</u>	<u>60,000</u>	<u>66,587</u>	<u>6,587</u>
EXPENDITURES				
Instructional Program	<u>60,000</u>	<u>60,000</u>	<u>52,378</u>	<u>7,622</u>
TOTAL EXPENDITURES	<u>60,000</u>	<u>60,000</u>	<u>52,378</u>	<u>7,622</u>
Net Change in Fund Balance	-	-	14,209	14,209
Fund Balance, Beginning of Year	<u>125,000</u>	<u>113,867</u>	<u>113,867</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 125,000</u>	<u>\$ 113,867</u>	<u>\$ 128,076</u>	<u>\$ 14,209</u>

SOUTH CONEJOS SCHOOL DISTRICT RE-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Year Ended June 30, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 404,720	\$ 404,720	\$ 446,272	\$ 41,552
TOTAL REVENUES	<u>404,720</u>	<u>404,720</u>	<u>446,272</u>	<u>41,552</u>
EXPENDITURES				
Debt Service	404,720	404,720	404,490	230
TOTAL EXPENDITURES	<u>404,720</u>	<u>404,720</u>	<u>404,490</u>	<u>230</u>
Net Change in Fund Balance	-	-	41,782	41,782
Fund Balance, Beginning of Year	<u>1,400,000</u>	<u>1,128,360</u>	<u>1,128,360</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,400,000</u>	<u>\$ 1,128,360</u>	<u>\$ 1,170,142</u>	<u>\$ 41,782</u>

SOUTH CONEJOS SCHOOL DISTRICT RE-10

CDE COMPLIANCE SECTION



Colorado Department of Education
Auditors Integrity Report
 District: 0580 - South Conejos RE-10
 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	7,856,758	6,438,143	4,857,238	9,437,663
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	7,856,758	6,438,143	4,857,238	9,437,663
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	80,516	234,944	225,045	90,416
22 Govt Designated-Purpose Grants Fund	0	178,252	178,252	0
23 Pupil Activity Special Revenue Fund	113,867	66,587	52,377	128,077
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,128,360	446,272	404,490	1,170,142
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	9,179,501	7,364,199	5,717,402	10,826,298
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL